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Antilles.....	11.20 FF	Morocco.....	12 Dh	6.84	
Cameroon.....	1.400 CFA	Qatar.....	8.00 Rials	3659.68	
Egypt.....	E. P. 5000	Réunion.....	11.20 FF		Up
France.....	9.00 FF	Saudi Arabia.....	9.00 R.	0.09%	
Gabon.....	960 CFA	Senegal.....	960 CFA	111.20	
Greece.....	300 Dr.	Spain.....	200 PTAS		
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	US\$ 1.50	U.S. Mil. (Eur.)	\$1.10		



## Violence Erupts in Germany

Youths Released After 4 Wounded

By Steven Kinzer  
New York Times Service  
MAGDEBURG, Germany — At least four people were stabbed and 49 others were arrested in an outbreak of anti-foreigner violence in this eastern German town.

All but one of the 49 arrested were released before dawn Friday, and the one who remained in custody was held only because a warrant was outstanding for his arrest on an unrelated charge.

Officials said they were not sure they had enough evidence to bring charges against any of those involved in the assaults.

In the face of sharp local and national criticism of the quick releases, police officials here sought to defend their actions. They conceded that the police had been slow to respond to the assaults and pledged to carry out further investigations.

Chancellor Helmut Kohl's chief adviser for matters relating to foreigners, Cornelia Schmalz-Jacobson, said the attacks in Magdeburg marked "a new and horrifying high point" in the wave of xenophobic violence that has spread across Germany since the country was reunified in 1990. She said police response suggested that officers in the eastern states were not sufficiently trained or equipped to suppress rightist violence.

"Human beings are being hunted down as they were in the worst times of the SA," Mrs. Schmalz-Jacobson said, referring to the terror squads that served Hitler.

Police officials said the assaults in Magdeburg were led by young men known for their far-right political views and their propensity for violence. The majority of them, however, were described as drunken hooligans and skinheads, who acted out of generalized resentment at social conditions rather than clear racist or anti-foreigner ideologies.

Thursday was Ascension Day, a holiday in Germany, and by midday groups of intoxicated youths were gathering in and near Magdeburg's city center. At around 3:30 P.M., a group of them surrounded and began to beat five African asylum-seekers. The five fled into a café owned by local Turks, and their attackers pursued them, smashing windows and terrorizing patrons.

"They shouted, 'We're hooligans! Germany for the Germans! Foreigners Out!'" recalled a waitress in the café.

Faced with the onslaught, several Turks in the café grabbed knives and, according to police, stabbed four of the assailants. All were said to have been seriously wounded but not in danger of death.

For many hours after the stabbings, gangs of Germans and non-Germans roamed the streets, clashing repeatedly. The 30 policemen who responded to the original alarm were reinforced to a strength of more than 200 by late Thursday night.

All of those arrested were local men under the age of 25, according to Magdeburg's senior police official, Antonius Stockmann.

"In the chaotic circumstances, it was not possible, despite our efforts, to determine which of the people we arrested were responsible for specific acts," Mr. Stockmann said.

"This was not simply an eruption of anti-foreigner feeling, and the perpetrators should not be described as exclusively rightist radicals," he asserted. "Most of them are not rightists in any way. The majority were simply going along with a chain of violence in which alcohol played a key role."

Conditions in Magdeburg, which is the capital of Saxony-Anhalt, formerly in East Germany, reflect those in many eastern towns. Unemployment is officially put at 20 percent.

Nearly all of the state-sponsored youth clubs where young people spent much of their free time before unification have been closed.



A Sarajevo resident handing out newspapers to government soldiers as they marched in the Bosnian capital on Friday. A truce with Croats has been a boon to the army.

## For Bosnian Army, Time Is a New Ally

By Roger Cohen

New York Times Service

VITEZ, Bosnia-Herzegovina — For the first time in 25 months of war, the Bosnian government feels that time is on its side in its military struggle against the Serbs.

Throughout Bosnia, officers in the Bosnian Army appear buoyed by the end of fighting between Muslims and Croats two months ago. Although the full effects of this cease-fire have not been felt, the Bosnian Army is now more mobile, less stretched, and somewhat better armed.

Here in central Bosnia, where fighting between Muslims and Croats was prolonged and bitter, a tenuous peace holds, and British officers stationed in Vitez with the United Nations peacekeeping force say the Bosnian Army is now getting some arms and ammunition up through Croatia despite a UN arms embargo.

"The federation between Muslims and Croats has brought a significant shift," said Major Rod Tracey, a British officer. "The Bosnians are still terribly short of ammunition, but they are getting some in. There are also the first signs of Croats and Muslims working together against the Serbs, in the Zepce area and up near Maglaj."

Apart from improving the Bosnian Army's supply of weapons and ammunition, the new alliance with the Croats has brought much-needed fuel into Bosnia. This has vastly in-

creased the mobility of the Bosnian Army, analysts say, and part of the highly effective 7th Brigade, which formerly fought the Croats in central Bosnia, is moving to the sensitive Olovo and Kladanj fronts against the Serbs.

The fact that the Bosnian Army is now fighting one war rather than two has already toughened the negotiating stance of the Bosnian government, and the vote on Thursday by the U.S. Senate calling on President Bill Clinton to unilaterally lift the arms embargo on Bosnia will only reinforce this trend.

In new talks Friday in Geneva, international mediators were hoping at least for a temporary cease-fire — of three or four months — to allow time to negotiate.

But a temporary cease-fire in the current, finely poised military situation is a highly sensitive issue. Because the Serbs are aware that time may be working for the Bosnians, they are reluctant to accept a three-month truce that may only leave them fighting a considerably reinforced Bosnian Army at the end of the summer.

Instead, the Serbs want an open-ended cease-fire across Bosnia. But Hars Stijadzic, prime minister of the Muslim-led Bosnian government, and his top army officers are deeply wary of freezing Serbian territorial gains in place, and apparently convinced that, with time, they can push back the Serbs on the battlefield.

International military observers in Bosnia are, however, not yet convinced that — without

a lifting of the arms embargo — the Bosnians have the power to roll back the Serbs, whose superiority in heavy weaponry and in ammunition remains overwhelming.

"Every time the Bosnians mount an assault, the Serbs are in a position to lob shells onto Tuzla, Travnik, Olovo, or even Sarajevo," Major Tracey said. "This has been a pattern throughout the war, and will continue."

Major Cyrille Frayer, a French officer working as a European Union military observer in Tuzla, said Serbian infantry appeared demoralized, disorganized, and poorly motivated. Despite the Serbs' huge superiority in tanks, artillery, and guns, this infantry appeared incapable of occupying and holding ground.

Apart from activity against encircled and weak Muslim enclaves like Gorazde or Strebrenica, Serbian forces have shown little ability to make inroads against government troops.

"If the Serbs had a real infantry, they would have finished with Bosnia a long time ago," Major Frayer said.

On the other hand, a superior and more motivated Bosnian infantry — made up largely of Muslims who are fighting to return to their home towns — still appears to lack the anti-tank weapons and artillery cover to make significant inroads on the Serbs. Moreover, with a very long front to defend, the Bosnians lack the forces to mount two large offensive actions at once, and so put the Serbs off balance.

## Tehran Denies It Sent Cargo Of Explosives

Compiled by Our Staff From Dispatches

ZAGREB, Croatia — An Iranian diplomat on Friday denied a report that an Iranian cargo jet that landed in Croatia 10 days before brought explosives for the Bosnian Muslims, saying that the cargo consisted of food.

But a Bosnian Army source confirmed the report.

The Croatian government also denied the report. In The Washington Post, an Iranian Air Force transport carrying at least 60 tons of explosives and other materials for weapons production for Bosnian Muslims landed at Zagreb on May 4.

But a senior Bosnian Army source said the Bosnian government forces received their share of the explosives after Bosnian Croats took one-third, he said.

(Reuters, AP)

## WORLD BRIEFS

### 2 Englishmen Guilty in IRA Blasts

LONDON (AP) — Two Englishmen were convicted Friday of conducting an Irish Republican Army bombing campaign last year that included blasts outside Harrods department store in London and on a train. A computer expert, Patrick Hayes, 41, and a former soldier, Ian Taylor, 51, both of London, were each sentenced to 30 years in prison.

Four people were wounded in the Harrods bombing in January. A bomb on a train from London to Ramsgate, about 100 miles (160 kilometers) to the east, caused severe damage. The jury also convicted the two of possessing explosives and firearms.

Mr. Hayes was also convicted of plotting to set off three more bombings in the London area, none of which exploded. The judge said that although Mr. Hayes had been convicted of more crimes, he could not discriminate between the two bombings "on the scales of wickedness" so both got the same jail term.

### Mexico Invites UN Electoral Role

MEXICO CITY (AP) — The government has asked the United Nations to provide technical assistance to national observers of the presidential elections on Aug. 21 and to issue a report on Mexico's new computerized electoral system.

UN officials said they were acting on the request, made in a letter dated May 10 and made public Thursday. This is the first time that Mexico, a country generally acknowledged to be plagued by election fraud, has asked for such help.

The request is the latest in a series of moves to improve the credibility of the federal elections. The government has permitted audits of voter registration rolls, organized tours of electoral computers and commissioned surveys from pollsters with a reputation for independence.

### Pacific Naval Games to Start May 26

SEOUL (APF) — The navies of Japan and South Korea will hold their first exercises together when they take part in U.S.-led Rimpaac maneuvers in the Pacific from May 26, the Defense Ministry announced Friday.

This will be South Korea's third time in the biennial exercises and its first time in maritime exercises with Japan, a ministry spokesman said. The exercises will be staged in the West and Mid-Pacific region from May 26 through July 16 by the navies of the United States, Australia, Canada, Japan and South Korea to secure maritime transportation routes and promote combined operational capabilities, he said.

### Peacekeeper Politics in South Africa

PRETORIA (Reuters) — South Africa's new national defense force said Friday that any decision about its participation in foreign peacekeeping was political.

A South African National Defense Force statement said the new constitution made provision for South African peacekeeping operations, but it added that involvement beyond the borders of South Africa was a "political decision."

Colonel John Rolt, a spokesman for the force, said there had been several questions from the press about possible South African participation in foreign peacekeeping operations, specifically in Rwanda.

### Clinton to Get His Oxford Degree

OXFORD, England (Reuters) — President Bill Clinton will receive a degree from Oxford University when he visits Britain in June, university administrators said Friday.

The sheepskin will complete an academic career that Mr. Clinton began, but did not finish, 26 years ago. He studied politics at a Rhodes Scholar at University College, Oxford, from 1968 to 1970, but left to study law in the United States.

He will receive the degree of Doctor of Civil Law by Diploma on June 8 at the end of a European trip to mark the 50th anniversary of the D-Day invasion.

### French Investigate Tapie Over Yacht

PARIS (Reuters) — French prosecutors have begun a tax-fraud investigation of Bernard Tapie, the business executive and politician, after an official complaint about his luxury yacht, judicial sources said Friday.

The investigation focuses on possibly improper tax benefits gained by registering Mr. Tapie's 74-meter yacht Phoca as a commercial vessel, even though he used it exclusively for his personal benefit, the sources said.

Mr. Tapie, a self-made millionaire propelled into the spotlight through his ownership of the successful Marseille soccer team, is running for the European Parliament in next month's election. The former cabinet minister heads the small Leftwing Radicals Party in the June 12 vote.

### China Names 13 to Hong Kong Panel

HONG KONG (APF) — China has appointed 13 more members to its Preliminary Working Committee. Beijing's shadow policy-making body in Hong Kong.

The committee is charged with mapping out Hong Kong's post-1997 political system in conjunction with top Beijing officials, led by Foreign Minister Qian Qichen.

The latest appointments included Paul Cheng, the chairman of Inche Pacific, a unit of Inche Pacific PLC; Wong Ying-wai, former deputy trade and industry director-general; and Arthur Garcia, a former government ombudsman. New members from the Chinese side included Gao Fengmin, the Chinese team leader of the Chinese-British Joint Liaison Group, and Wuhan Mulu, the deputy director of Xinhua press agency in Hong Kong.

### For the Record

A Portuguese pilot and a flight mechanic were killed Friday when their unarmed jet fighter crashed into a beach during a NATO training drill on the northern Spanish coast of the Mediterranean, a Spanish Defense Ministry spokesman said in Madrid.

Suspected Islamic extremists shot and killed three policemen in two incidents Friday in southern Egypt, police officials said.

### TRAVEL UPDATE

#### A Day for Savoring Dutch Windmills

AMSTERDAM (AP) — Visitors to the Netherlands can take a rare peek behind the scenes at more than 650 windmills Saturday as the Dutch celebrate National Windmill Day. All shapes and sizes of windmills will be open to the public, including several newly renovated examples.

About a thousand windmills still exist in the Netherlands. More than six hundred are still operating, most for grinding wheat and pumping water. Earlier this year the Ministry of Culture pledged up to 100 million guilders (\$53 million) to preserve the remaining mills.

In the mid-1800s there were about 10,000 windmills keeping the wheels of the Dutch economy turning. But with the advent of steam and then electric power, the mills eventually sailed into the industrial sunset.

A shipping strike that has paralyzed French passenger ferry services to North Africa was declared illegal Friday. A court ordered ship workers back to work as union negotiators rejected a management proposal for settling the dispute.

Rampant safety violations at four Philippine airports, including squatter homes alongside runways, led the government to close the airports on Friday. The four airports were Dipolog on Mindanao island; Bacolod in the central Philippines; Cauayan north of Manila, and San Jose south of the capital.

## As EU Chief, Bonn to Seek Russia Pact

Agence France-Presse

BONN — A treaty of association between Russia and the European Union will be at the top of Germany's agenda during its forthcoming presidency of the EU, Foreign Minister Klaus Kinkel of Germany told President Boris N. Yeltsin on Friday.

Mr. Yeltsin, on the last day of a three-day visit to Germany, met with Mr. Kinkel to discuss cooperation between Moscow and the North Atlantic Treaty Organization.

Mr. Kinkel said after their talks that he had pledged that Bonn would make the treaty "one of the top priorities of the German presidency of the Union."

Bonn takes over the six-month rotating EU presidency from Greece on July 1.

The statement added that much of the meeting centered on new European security arrangements.

Mr. Kinkel expressed hope that Russia would soon play an active role in European security policy by joining the NATO-proposed Partnership for Peace program.

The statement added that Mr. Yeltsin said he would sign the accord "soon," although Russia wished "to set out in a protocol the specific content of the cooperation between NATO and Russia."

Mr. Kinkel, echoing an earlier pledge by Chancellor Helmut Kohl, also reassured Mr. Yeltsin that Germany would back Russian efforts to obtain full membership of the GATT world trade accord and of the Group of Seven industrial nations.

Russian membership in the NATO partnership program recently ran into snags after NATO carried out air strikes in Bosnia last month and after Moscow demanded special status in the program.

## Labor Party to Move Fast to Pick a New Leader

Reuters

LONDON — Leaders of the Labor Party, seeking to maintain pressure on Prime Minister John Major, said Friday they hoped to move quickly in picking a successor to John Smith, who died after a heart attack on Thursday.

A drawn-out Labor leadership struggle pitting modernists against traditionalists could cost momentum in the campaign to the 1997 general election and take the spotlight away from Mr. Major's woes.

After grief-stricken colleagues met to sort out the leadership situation, the party chairman, David Blunkett, said on Friday: "The opinion appears to be that we should try and do that by mid-July."

He said the timetable would be decided at a

meeting of the national executive committee on May 25.

Labor is riding high in opinion polls, comfortably ahead of Mr. Major's divided Conservatives. Mr. Smith was still celebrating Labor's victory in local council elections when he died of a heart attack in his London home.

Labor, the Conservatives and the centrist Liberal Democrats called off campaigning for several days before next month's European parliamentary election as a gesture of respect for Mr. Smith.

Party elders fear delaying the choice of a successor until the party's annual conference in October would be disastrous.

Neil Kinnock, who stepped down after Labor's fourth consecutive election defeat in 1992, after initiating a modernization of the party

that was continued by Mr. Smith, said of his successor:

"His view would be, without any question, that we should pick up the traces as quickly as possible in order to sustain the momentum that he contributed so greatly to achieving."

The leading contender for the succession is the party's home affairs spokesman, Tony Blair, a 41-year-old Scottish barrister who has stolen Tony's thunder by pressing for tougher law-and-order measures. Bookmakers on Friday made him favorite at 5-2.

He and Gordon Brown, the party's finance spokesman, are fellow modernizers as well as close friends. They face a hard decision in deciding whether to stand against each other.

Margaret Beckett, who took over as temporary leader after Mr. Smith's death, may also enter the race.

## Erik Erikson Dies, Life-Stages Theorist

New York Times Service

NEW YORK — Erik H. Erikson, the psychoanalyst who profoundly reshaped views of human development, died Thursday at a nursing home in Harwich, Massachusetts. He was 91.

A friend and disciple of Sigmund Freud, Dr. Erikson was a thinker whose ideas had effects far beyond psychoanalysis, shaping the emerging fields of child development and life-span studies and reaching into the humanities.

He was best known for the theory that each stage of life, from infancy and early childhood on, is associated with a specific psychological struggle that contributes to a major aspect of personality.

That represented a quantum leap in Freudian thought, suggesting that the ego and the sense of identity are shaped over the entire life and that later experiences might help heal the hurts of early childhood.

Dr. Erikson's influence, compounded by clinical studies of children, a teaching post at Harvard University, popular lectures and best-selling books on Mahandas K. Gandhi and Martin Luther, per-

vaded many layers of society, from education to medicine to law to biography to psychiatry to low-brow culture.

His popular recognition reached a peak in the 1970s, particularly because of his identification with the development of "identity crisis," a term he coined.

The term "psychobiography," which he did not originate, was also associated with his name. His most significant contribution, however, was the concept of a malleable and changeable ego in adults, a departure from traditional notions of an ego fixed early in life and persisting to its end.

A key element in Dr. Erikson's theory of successive changes in personality and, hence, modification of the ego was that the dynamics of the society in which a person lived determined the extent of the resolution of the changes.

By placing the individual firmly in a social matrix, he was able to suggest the degree to which political, economic and social systems, all exterior forces, mold a person's interior emotional life.

In that manner, Dr. Erikson sought a union between psycho-

analysis and the social sciences. As a pioneer in the study of the life cycle, he considered that it consisted of eight crucial stages.

The stages are infancy, or the oral sensory stage, in which the emotional conflict is between basic trust and mistrust; muscular-oral, in which autonomy conflicts with shame and doubt; the locomotor-genital, where the conflict lies between initiative and guilt; latency, in which the positive component is industry and the negative is inferiority; adolescence, where the identity crisis, or role confusion, normally occurs; young adulthood, in which intimacy vies with isolation; adulthood, in which the crisis poles are generativity and stagnation; and maturity, or old age, when despair threatens ego integrity.

Cleanness Brooks, 87, Author Was 'New Critics' Pioneer  
NEW YORK (NYT) — Cleanness Brooks, 87, an educator, author and Southern literary critic who helped spread the principles of the New Criticism movement throughout American universities, died of cancer Tuesday at his home in New Haven, Connecticut.

Marchette Chute, 84, a biographer of Shakespeare, Chaucer and Ben Jonson, died of pneumonia May 6 at the Madison Nursing Home in Montclair, New Jersey.

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## THE AMERICAS /

## Latin Americans Reject Use of Force to Unseat Haiti Military

By Howard W. French

New York Times Service

MIAMI — The Clinton administration's recent warnings that force might be needed to settle Haiti's long-running political crisis have quickly stirred strong opposition in the Southern Hemisphere, clouding the prospects for international approval of any American-led intervention.

During a discussion of the Haitian crisis at the Organization of American States in Washington on Wednesday, Brazil, Peru, Ecuador, and Uruguay rejected the use of force under any circumstances.

Latin American countries have traditionally been wary of military intervention by the United States, which has had a history of gunboat diplomacy in the region.

Mexico, Canada, and Cuba have all also

recently expressed their opposition to intervention as a means for unseating the country's military leadership, which overthrew the elected president, the Reverend Jean-Bertrand Aristide in September 1991.

Diplomats said the split at the OAS occurred after the United States, Argentina, and Antigua sought to introduce language that would have closely echoed Mr. Clinton's own recent statements, saying that the use of force should not be ruled out in Haiti.

In the end, because of the breadth of the opposition, the proposed reference to force was dropped from an OAS resolution condemning Haiti's military for appointing an interim president to replace Mr. Aristide.

"The secretary-general is a man who feels very strongly that we should not re-

sort to the use of force," said Hugo de Zela, spokesman for João Baena Soares, the head of the OAS.

"There is a lot of margin for political pressure and diplomacy, which he feels can still work. But under no circumstances does he feel that we should use military force."

American officials who have alluded to the possibility that force might be necessary to restore democracy to Haiti have usually said that any such force should be constituted from a variety of nations and operate under a mandate from the United Nations or the OAS.

But diplomats at both organizations said that strong sentiment against armed intervention in Haiti would complicate and possibly block forming a multilateral force.

At the UN, officials said that current plans called for bringing in a small force of military trainers, whose mission would be to separate Haiti's police from its army and begin retraining each.

But this would begin only once Haiti's present military leadership had abandoned power.

A similar mission empowered by the Security Council was aborted in October, only two weeks before the negotiated date for Mr. Aristide's return, when a mob of army sympathizers firing small arms rioted near the piers where a ship carrying about 200 Canadian and American military trainers was scheduled to dock.

Officials said that any foreign trainers would have to be accompanied by a "dis-

suasive force," a smaller number of soldiers equipped with "larger means and bigger weapons."

Under the original training mission, only selected foreign officers deployed to Haiti were to be allowed to carry sidearms. The other trainers would have been unarmed.

If the Haitian Army continued to refuse to relinquish power, a diplomat said, an "enforcement mechanism" would be required to clear the country's docks and perhaps round up the top echelon of Haiti's military leadership.

"This is a plan with three scenarios," a diplomat said. "Each time we go to a higher level that would require a new resolution and a new debate in the Security Council. I don't know how difficult that would be, but it has to be faced."

## U.S. Army Exercise Simulates Invasion

The Associated Press

BOSTON — The United States has just completed a military exercise that simulated an invasion of Haiti. The Boston Globe reported Friday.

A military spokeswoman confirmed the exercise, but declined to link it to plans for American intervention in Haiti.

"Anything that happens in this hemisphere, whether it be a troop movement or an exercise, people are trying to tie to reports of a Haiti invasion," said Major Jamie Roach. "It's just not valid."

The two-week exercise involved 44,000 military personnel, including Marines and army Special Forces, as well as jet fighters, helicopters, amphibious vessels and a submarine, the Globe said.

The paper said the timing and the tactics of the exercise, called Operation Agile Provider, was developed with Haiti in mind and could be used to turn up the pressure on Haiti's military leaders to quit.

President Bill Clinton has not ruled out military intervention.

Major Roach said the exercise, which began April 25 and concluded Wednesday, was planned more than a year in advance. She said the attack scenario did not even mention a Caribbean nation.

"It was a Southwest Asia scenario," Major Roach said by telephone from Norfolk, Virginia, headquarters of the Atlantic Command. "We just placed it in the United States."

Captain Tim Hoyle, an Atlantic Command spokesman whose area of responsibility includes Haiti, denied that the exercise was staged specifically with Haiti in mind.

The bulk of the operation took place off the coast of North Carolina, but troops also trained near Savannah, Georgia, and improved an airport on the Bahamian island of Great Inagua. Most of the soldiers were American, but there were small detachments of Dutch and Sarinamese military, Major Roach said.

The newspaper noted that U.S. military exercises in the Caribbean were relatively routine. But unidentified military sources told the Globe that the operation, in its timing and tactics, had been planned with Haiti in mind.

At the same time, the sources conceded that the exercise could also be an effort to turn up the pressure on Haiti's military junta to allow the return of exiled President Jean-Bertrand Aristide.

During the exercise, Marines used North Carolina and Puerto Rico as mock landing sites.

Special Forces, some of whom landed by submarine, took out mock enemy command posts and radio stations. And Marine fighter jets flew more than 200 practice sorties, sources said.



A gasoline vendor filling it up in Port au Prince this week in an area known as "Kuwait City" because of the black market fuel available.

## No Hint That CIA Was On to His Spying, Ames Says

By Walter Pincus and Bill Miller

Washington Post Service

WASHINGTON — When Aldrich Ames was called to go to his Central Intelligence Agency office, the morning of Feb. 21, he

had no inkling that his almost nine years of supplying secrets to Moscow for \$2.5 million was about to be ended.

He had been under FBI investigation for almost a year, but Mr. Ames said in an interview this week that he had no hint he was under suspicion.

In fact, government officials would have preferred to delay the arrest, according to recent interviews with investigators and lawyers involved in the case.

Despite months of wiretaps, searches and surveillance, they had not gathered what they considered enough evidence to guarantee conviction of Ames on an espionage charge that would lock him up for life. But they worried that he might catch on to them and flee. As Mr. Ames was planning to travel to Russia on Feb. 22 on CIA business, the Federal Bureau of Investigation believed it had to act.

FBI officials still hoped that shortly after dawn on Feb. 21, Mr. Ames would leave his house, and

they could catch him placing a tell-tale chalk mark on a mailbox as a signal to his Russian handlers.

When Mr. Ames failed to leave his house, they decided to set in motion the arrest by having Mr. Ames's supervisor call him to work, using the excuse that an overseas cable had come in that needed his help to answer.

A block and a half from the Ames' house in North Arlington, Virginia, his 1992 Jaguar was forced to the curb by two cars with flashing lights, and he was arrested by FBI agents. For years, Mr. Ames said, he had lived "with a kind of fatalism" of eventually being caught.

But, he said in the interview that he had decided to keep going until he reached the retirement age of 55 in 1997. The Russians had provided an incentive to stay in the CIA and continue passing secrets; they had told him months earlier that they had set aside an additional \$1.9 million for him.

He also had reason to think the CIA did not suspect him. Only last December, he said, he was told by superiors that he would be rotated out of his position in the Counterintelligence Center, where information of any value to the Russians was scarce, and sent back to the operations directorate, where he again would be handling the agency's most classified secrets.

"I was encouraged to think I'd be getting an interesting job in April, May or some time this spring," he said from the prison in Alexandria, Virginia, where he is beginning to serve a life sentence without parole for conspiring to commit espionage. The subsequent search of Mr. Ames's car and house produced evidence beyond the investigators' dreams.

A cheer erupted at the FBI's command center when agents heard that in Mr. Ames's car a piece of white chalk was found with a black mark on it. That was the first significant breakthrough of the

case, evidence that Mr. Ames indeed had been leaving white chalk marks on blue mailboxes as signals to the Russians. As more evidence poured in from the house search, including notes between Mr. Ames and his Soviet handlers, the government changed its strategy for dealing with Mr. Ames and his wife, Rosalio, who had also been arrested.

Initially, Rosalio Ames was viewed as an accomplice who could be turned into a cooperative government witness. But after finding incriminating material in the Ames' house, prosecutors realized they would not need her to help build a case and focused on her as a co-conspirator.

Weeks later, she became the linchpin in plea bargain negotiations with Mr. Ames. In return for his guilty plea and his agreement to tell all about his spying, prosecutors agreed to bring a lesser charge against her and held out the possibility of a relatively light five-year jail sentence for her.

Recent studies suggest, however, that Vietnam veterans are no more prone to suicide than the rest of the population, according to David Clark, director of the Center for Suicide Research and Prevention in Chicago.

Charles R. Figley, a specialist on post-traumatic stress disorder who is based at Florida State University, said studies of Vietnam veterans showed that 15 percent suffered the disorder.

For many veterans, the initial psychological wounds are compounded by other life problems, like troubled marriages. "The vast majority of Vietnam veterans have moved on to their lives," Mr. Figley said. "But for 15 percent, the remnants of the war continue to affect them."

## For Vietnam Veterans, Suicide Hits Home

By Kent Jenkins Jr. and Charles W. Hall

Washington Post Service

WASHINGTON — Thrown into "a demon rage" by the suicide of Lewis B. Puller Jr., Tom Edmonds went to the Wall, the Vietnam Veterans Memorial, to mourn a fallen comrade. But the rage — the war Mr. Edmonds still carries inside — would not subside.

"God, I'm tired of this," Mr. Edmonds, of Falls Church, Virginia, wrote in an anguished poem he sent to a group of fellow Vietnam

veterans on the Internet computer network. "Please no more. But God doesn't answer. He never did. Not then. Not now."

It all came rushing back Thursday, to Mr. Edmonds and countless others in the Washington area and beyond — all the buried memories and ancient hurts of a war that stopped but never really ended.

Mr. Puller, the author and Vietnam veteran who shot himself at his suburban Washington home Wednesday, was more than a suicide. To Mr. Edmonds and others, Mr. Puller was an agonizing symbol, a casualty of war.

"I'm extremely angry, and I find it very painful," said Mr. Edmonds, who suffers from post-traumatic stress disorder and receives full disability pay. "But mostly it scared me. Because I can understand the reasoning behind his decision."

Mr. Puller, a Marine who lost his legs and parts of both hands in a land mine explosion in Vietnam, wrote a Pulitzer Prize-winning book about his ordeal. He had recently struggled with deep depression and addiction to prescription drugs.

The White House issued a statement saying that Mr. Puller's death "reminds us all of the grief that still haunts so many of America's veterans today."

At the Vietnam memorial, where

the names of those killed in the war are inscribed on the stone walls, strangers spoke of Mr. Puller in tones of pride and respect.

"I think his death is a direct result of the Vietnam War, meaning his name should go on the Wall like all the others," said Joe Steele, a former Marine who runs a veterans center in New Jersey. He said Mr. Puller's suicide should give Americans "a sense of remembrance of those men still out there who need help."

Mr. Puller's death also renewed lingering questions about how well Vietnam veterans as a group have adjusted to life after the war.

"So many of these combat veterans are just trying to numb their pain," said Jonathan Shay, a psychiatrist who has written a book on Vietnam veterans with post-traumatic stress disorder. "Some do it

with alcohol or drugs. Some do it by being a workaholic."

Recent studies suggest, however, that Vietnam veterans are no more prone to suicide than the rest of the population, according to David Clark, director of the Center for Suicide Research and Prevention in Chicago.

Charles R. Figley, a specialist on post-traumatic stress disorder who is based at Florida State University, said studies of Vietnam veterans showed that 15 percent suffered the disorder.

For many veterans, the initial psychological wounds are compounded by other life problems, like troubled marriages. "The vast majority of Vietnam veterans have moved on to their lives," Mr. Figley said. "But for 15 percent, the remnants of the war continue to affect them."

## Industry Rejected A Safer Cigarette

By Philip J. Hiltz

New York Times Service

WASHINGTON — Tobacco companies not only knew of the hazards of smoking by the early 1960s but had already discovered and patented a critical step for making a safer cigarette.

The idea was to heat the tobacco rather than burn it, thus avoiding the process that creates most of the hazardous substances in tobacco smoke.

Brown & Williamson Tobacco Corp., a subsidiary of the London-based British-American Tobacco PLC, put the idea to the test in a cigarette, code-named Ariel, according to internal company documents obtained by The New York Times.

The prototype was granted a patent in 1966 but was never marketed.

The company decided against pressing the safer products toward the market for fear that they would make their other products look bad, according to company documents and interviews with scientists working on the project.

Another likely reason, the documents suggested, was that smokers might find the cigarettes less satisfying and therefore would not buy them.

Thomas Fitzgerald, a spokesman for Brown & Williamson, said: "From the description given to us, it appears you are basing your article on attorney-client privileged documents that were stolen by a former employee of a law firm that worked for Brown & Williamson."

"Anybody who knowingly uses stolen information is in fact contributing to an illegal act. We have no further comment."

Another early safe cigarette invention was made by Dr. Thomas Mold, assistant director of research for Liggett & Myers, and his colleagues.

Dr. Mold said in a telephone interview this week that his group had created a safer cigarette in research that began in 1955, and that the product was ready for market by 1979.

Dr. Mold, now retired, said he was told one day in 1979 that there had been a vote of executives in the company, on the advice of lawyers, that the company should not produce a safer cigarette.

"We wrote up the work we had done in a paper for publication. We were not allowed to publish it," he said. "It describes what we did, how we did it and what the results were."

At Philip Morris, one project mentioned in memorandums and reports dating from the early 1960s was "Project 0100," an effort to make a "medically acceptable" cigarette.

The papers were disclosed in a lawsuit brought a decade ago by Rose Cipollone, who died from lung cancer before her case was completed. She later became the first person to be awarded damages in a smoking liability case in the United States.

According to the Brown & Williamson documents, the Ariel cigarette would have cut down greatly on the cancer-causing substances in cigarette smoke and cut down the amount of secondhand smoke coming from the cigarette.

It would have also reduced its potential fire hazard, as later versions of similar products proved.

The decision at tobacco companies not to proceed with less hazardous cigarettes was complex and much-debated internally, experts familiar with the industry say. Some of the reasons include the fear of litigation and the implication that the companies' other products were hazardous.

In addition, the companies feared marketing problems, that is, the cigarettes would not smell or taste like what smokers were used to; cigarettes might not be willing to buy a safer but less satisfying product.

These fears later turned out to be justified when R.J. Reynolds introduced its version of the safer cigarette, Premier, which lasted only a short time on the market.

Ariel was developed in the 1960s, and after the early success of the prototype, the company applied in 1964 for a patent, which was granted in 1966.

The company initially had high hopes for the new cigarette, but in 1964, company executives in various memorandums expressed a fear of disclosing too much harmful information about smoking and of disclosing lawsuits.

The research already completed on both the hazards of cigarettes and solutions was shelved, and the laboratories of the parent company in England, where much of the research on cigarettes was done, were closed down.

## ★ POLITICAL NOTES ★

## Clinton Accuser Gets Legal Defense Fund

WASHINGTON — A group of Christian activists, saying it was standing up for the rights of women, has launched what it describes as a broad-based appeal to help pay the legal fees of Paula Corbin Jones, the former Arkansas state employee who is suing President Bill Clinton for sexual-harassment.

But a leading feminist group quickly turned down an invitation to endorse the fund. It said it would refuse to "take the right wing's bait" by stating a position on Mrs. Jones's allegations of harassment and civil-rights violations against Mr. Clinton. The allegations relate to a 1991 encounter in a Little Rock hotel room.

The creation of the Paula Jones Legal Defense Fund was announced by Patrick Mahoney, executive director of the Christian Defense Coalition. He said he would aggressively seek donations for the fund, keeping the names of all contributors anonymous.

As a national spokesman for the militant anti-abortion group Operation Rescue, Mr. Mahoney frequently has clashed with feminists. But he insisted Thursday that "sexual harassment knows no political boundaries" and challenged feminist groups to help publicize his fund — and support Mrs. Jones's cause — in the same way they embraced Anita Hill following her allegations against Clarence Thomas before he was confirmed as a Supreme Court justice.

"What angers me now is this — the National Organization for Women should be setting up this legal defense fund," said Mr. Mahoney. "The Fund for the Feminist Majority should be setting up this fund. But they have chosen to let politics get in the way."

NOW's president, Patricia Ireland, said in a statement that her group was "monitoring" the Jones lawsuit.

A 37-year-old former clerical worker, Mrs. Jones alleged in a lawsuit last week that she had been asked by an Arkansas state trooper to meet Mr. Clinton at a state-sponsored conference on May 8, 1991, when Mr. Clinton was governor of Arkansas. After she did so, she said, Mr. Clinton made a series of unwanted sexual advances. (WP)

## House Raises the 'Nanny Tax' Threshold

WASHINGTON — The House voted unanimously to overhaul the "nanny tax" that helped torpedo the nomination of Zoe Baird for attorney general in the early days of the Clinton administration.

The aim is to promote wider compliance with a tax law that the federal government estimates is ignored by three out of four employers of household workers. By failing to pay the tax, employers effectively cheat employees of state retirement benefits.

By a 420-to-0 rollcall vote, the House approved a bill that would raise the threshold for paying Social Security taxes. Now, employers are required to pay the tax when an employee's wages reach \$50 a quarter. Instead, the bill would require employers to pay taxes on wages of \$1,250 annually and higher. (LAT)

## New Jersey Senate Passes a '3-Strike' Bill

TRENTON, New Jersey — The State Senate unanimously approved legislation that would require mandatory life imprisonment for a person convicted of violent crimes on three or more occasions.

If the bill becomes law, as expected, a person convicted on three occasions of certain violent crimes in any jurisdiction would be sentenced to a mandatory term of life imprisonment with no eligibility for parole.

Crimes covered are murder, manslaughter, aggravated assault, kidnapping, sexual assault, robbery, and possession of a firearm, explosive or destructive device for an unlawful purpose. (NYT)

## Quote/Unquote

Senator Robert C. Smith, Republican of New Hampshire, opposing a bill passed by the Senate to restrict abortion protesters: "Some day this is going to haunt you. There's going to be another political issue that you're on the other side of. And you're going to regret this vote." (NYT)

## Away From Politics

Two men have been convicted of kidnapping the daughter of the casino mogul Steve Wynn and holding her until they got a \$1.45 million ransom. Jurors deliberated about five hours before finding Ray Cuddy, 47, and Jacob Sherwood, 22, guilty of all charges stemming from the July 26 abduction of Kevin Wynn from her Las Vegas home.

The owner of a car-repair shop in St. Louis, Missouri, who admitted to having let the refrigerator from a car's air-conditioner leak into the air has become the first person prosecuted under a federal law intended to protect the atmosphere's ozone layer by tightly regulating such chemicals.

Harvard University, which already has the largest endowment of any private university in the nation (\$5.8 billion), opened a campaign Thursday to raise \$2.1 billion over the next five years. "Harvard is in a time of relatively scarce resources," the university's president, Neil Rudenstine, said as he announced what officials said was the biggest fund-raising drive in the history of higher education.

The rate of premature, low-weight births in the United States increased 18 percent in the 1980s after declining steadily through the 1970s, federal health officials said. The increase was due in part to the higher number of babies born to women who are older, who fail to receive prenatal care and who have twins or triplets, the Centers for Disease Control and Prevention said. (AP, NYT)

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# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Haiti: No Rush to Invade

Emil Jonassaint, a former Supreme Court justice, was sworn in Wednesday as president of Haiti by a minority of legislators with the backing of the military junta. It was a clear act of defiance toward the international community, which last week voted in the United Nations to intensify sanctions against Haiti to force its illegitimate rulers to step down and allow the return of the exiled president, Jean-Bertrand Aristide. In response, some members of the U.S. Congress and other observers have begun talking more seriously about the use of military force to oust the coup leaders and allow Father Aristide to return.

That would be a mistake. Mr. Jonassaint's appointment does not materially change the situation in Haiti. The new sanctions, set to begin May 21, should be given a chance to work. The pressure they will exert on the country's rulers will be just as uncomfortable, whether or not they are living under the charade of a legitimate government.

In addition, many members of the Organization of American States oppose any kind of military intervention. France agreed on Thursday to participate in a UN force to help Haiti assemble a democracy after Father Aristide's return, but refused to take part in any intervention to oust the junta. It is unlikely the United States would attempt to intervene on its own, and unilateral action would also be unwise, given the unhappy history of

American meddling in Haiti. But the administration can take some helpful steps short of sending in the troops.

Most of these steps are outlined in the bill introduced by Representative Ronald Dellums of California and Senator Christopher Dodd of Connecticut. Perhaps its most effective provision is a complete cutoff of commercial air traffic with Haiti. The UN sanctions approved last week only apply to private air traffic, and therefore stop short of complete isolation of the country. The bill also calls for the United States to organize a multinational force to patrol the border with the Dominican Republic, where contraband crosses regularly into Haiti.

President Bill Clinton can announce that the United States is cutting off all its air traffic, and ask other nations to do likewise. He can also make a strong case for all UN members to follow the Security Council's recommendation to freeze all assets of Haiti's military officers.

Mr. Clinton's advisers should bear in mind that, until now, the measures taken against Haiti's military have merely created inconvenience for the junta and its supporters in the Haitian elite. They should stay calm in the face of the junta's defiance, and allow more stringent measures a chance to have their effect, before resorting to force.

—THE NEW YORK TIMES.

## For Justice on Death Row

The Congress seems bent on adding dozens of death sentences to the U.S. criminal code. At least the House, trying to retain some balance in the pending crime bill, has included a measure to reduce racial bias in administering capital punishment.

Not so the Senate, which ignominiously voted to keep the House's proposed Racial Justice Act out of the final crime bill when a Senate-House conference committee meets to reconcile their versions.

The Senate has instructed its conferees to ignore the House measure. Conferees often ignore such instructions and should do so again, especially when they have a chance to curb the death penalty's notorious racial disparities.

The measure would allow defendants to show a pattern of biased sentencing in their jurisdictions that taints their death sentences. They might show, for example, that only African-American defendants were executed for certain crimes, or that for certain crimes death was decreed only when the victim was white. The prosecution could still prevail by justifying the sentencing patterns and particular sentences on nonracial grounds.

Senator Alfonse D'Amato, Republican of

New York, the author of the Senate's resolution, denounced the racial justice measure as a "quota bill," contending that it required equal numbers of all races on America's death rows.

That is the same phony sloganizing Mr. D'Amato used in opposing the 1991 Civil Rights Act. But this time the Senate, by a vote of 58 to 41, bought the argument. Perhaps the conference committee, with Justice Department help, can find clarifying language that would save this worthy provision from Mr. D'Amato's caricature.

Opponents falsely charge that this safeguard would shut down the execution chambers. Some supporters would like to abolish capital punishment, but decidedly not all of them. Racial justice has adherents who favor or are reconciled to the death penalty but yearn for assurances that it can be inflicted fairly.

Surely inquiry is justified when only one execution since 1976 involved a white who killed a black, and when all of Attorney General Janet Reno's recommendations for death sentences so far involved black defendants. It is the House that needs to stand firm, redoubling the Senate's flirtation with racial injustice.

—THE NEW YORK TIMES.

## A Sharp Eye on Congress

It is amazing how many senators who really did not want to ban lobbyists' gift-giving to members of the U.S. Congress decided to vote for the ban anyway. Last week, an amendment to gut a gift reform bill sponsored by Senator Carl Levin, a Michigan Democrat, drew 39 votes. But on Wednesday, only four senators opposed final passage of this strong gift ban: 95 voted yes. The explanation is that most members of Congress know that the gifts and "charity" golf excursions now permitted look terrible to the folks back home. The Post's Helen Dewar captured the Senate mood, describing it as "grumpy but image-conscious."

The folks back home are right: the gift-giving should be banned. We understand why some Washington restaurateurs lobbied against these reforms. Fewer lobbyist-paid lunches could cut their trade. But the fact that the take from these practices was big enough to inspire the restaurant owners to action is precisely why they should end. The culture of pricey lobbying is not healthy for democracy or for Congress's standing with the public.

A tough fight lies ahead because a House gift bill, passed earlier this year, is substantially weaker than the Senate's. Senators who voted for Mr. Levin's bill even though they dislike it will be privately encouraging

their House colleagues to resist compromise in the coming House-Senate conference. Mr. Levin should stand firm and point out to the House the reality reflected by the margin of the Senate vote: This issue is now very public, and opponents of reform cannot hide behind procedural maneuvers.

Some of the House provisions will not stand up well under public scrutiny. For example, the House bill bans a lobbyist from paying for entertainment and meals for members, but it would permit executives of the company that the lobbyist works for to pick up the tab. This creates an absurd "designated diner" situation: A lobbyist for Acme Consolidated Widget could take a congressman out to dinner and the company could pay the freight so long as one of its vice presidents was along to put down his credit card.

The House bill permits those much-publicized "charity" golf and tennis events and also allows lobbyists to contribute to legal defense funds for members. These and other House provisions should give way to the Senate's more stringent rules. Senators voted as they did this week because they knew the public was watching. The House-Senate conferees should be made aware that the public will be watching them too.

—THE WASHINGTON POST.

## Other Comment

### Numbed to Genocide

Genocide, according to Jared Diamond, a research biologist at the University of California at Los Angeles, is a behavior that Homo sapiens shares with the other primates, notably with the two extant species of chimpanzee. Aisted in several other species, genocide is particularly well-documented among primates. Field research has shown clearly that bands of chimps exterminate rival bands down to the last member. As for the normalcy of genocide in humans, its empirical frequency — Mr. Diamond counts 17 occurrences between 1950 and 1990 alone — is disturbing confirmation that, in all of its instances, the immoral is not unnatural.

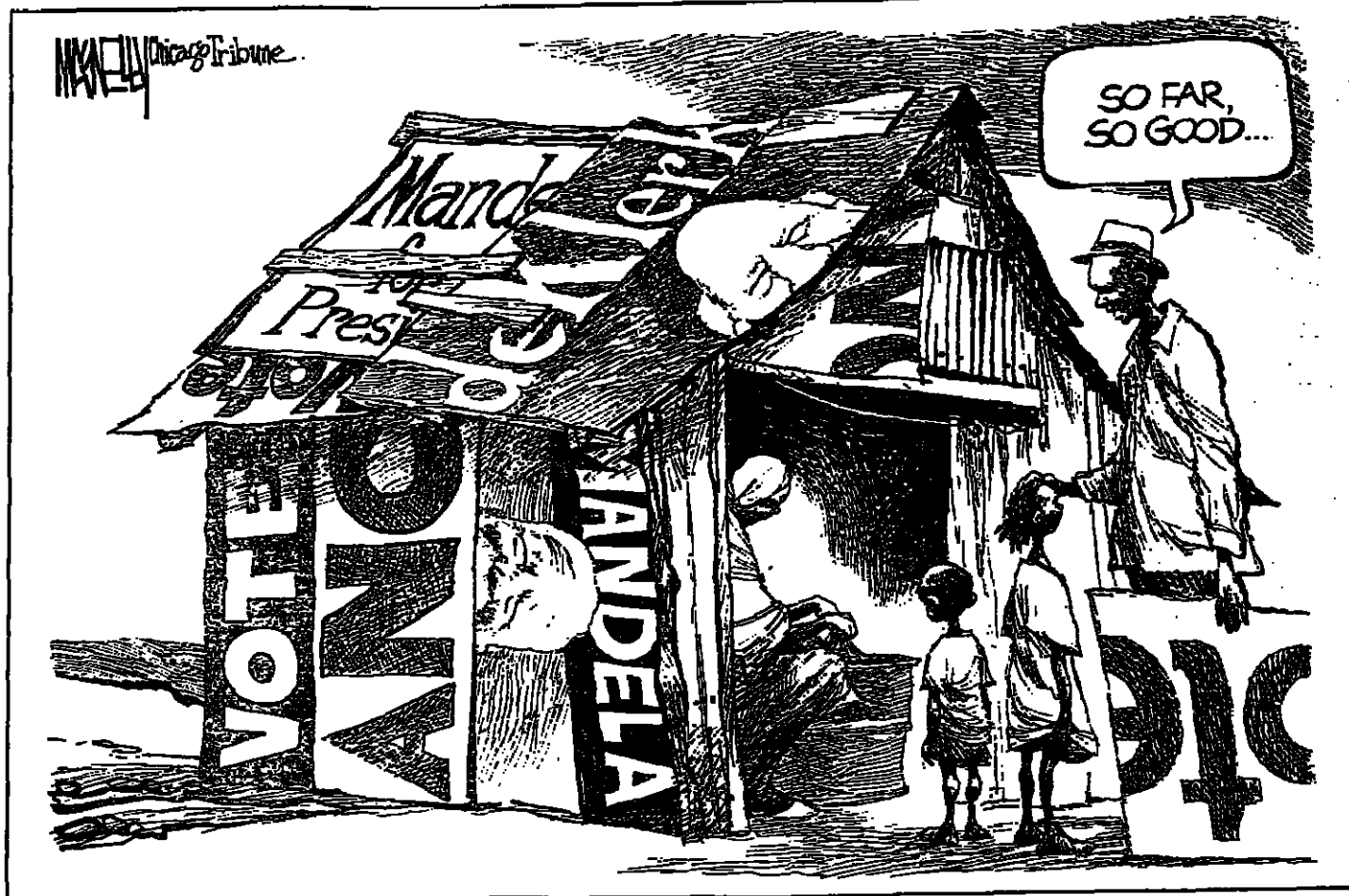
Do humans have a collective genetic capacity for genocide? In morality, as in all human achievement, humankind often challenges nature. We are genetically programmed to like

sweets, for example, but our original environment, in which they were rare, has been succeeded by one in which they are harmfully abundant. A correction is called for. Our collective capacity for genocide, fatally enhanced by technology, calls more urgently for a similarly collective correction.

Unfortunately, as Mr. Diamond and observers have noted, genocide induces a psychic numbing not just in its victims and perpetrators but also in those who merely witness or hear of it. The ape in us, so to speak, knows enough about apes' destructive capability to run from the sight and sound of mass murder. But the ape's repugnance may indeed be like the craving for sweets: undeniably natural but, in the contemporary context, a harmful reaction.

Measures to neutralize the genocidal tendency are encouragingly widespread and effective. But they are not yet infallible.

—Los Angeles Times.



## China: Limited Trade Won't End the Labor Abuses

By Dorothy Solinger

IRVINE, California — As the Clinton administration backs away from using the most drastic of trade sanctions to promote human rights in China — that is, ending its most-favored-nation status — one of the compromise plans being most seriously considered is to impose more limited sanctions.

Those who support this proposal argue that by trading only with enterprises owned and managed by the private sector or involved in joint ventures with foreign capital, the United States would be encouraging the most progressive sectors in China, while exerting pressure on the state. Most of the objections to this proposal have to do with its impracticability and the difficulty of enforcing it.

I would suggest that there is another, more important problem: that many of the private enterprises in China are responsible for some pretty nasty human rights abuses of their own. For the so-called entrepreneurial sector in China contains a huge number of businesses that accord shameful treatment to their employees.

True, some firms in this sector rely partly on technically trained, sophisticated personnel. And these staff do get pensions and other protection. But many of these firms, especially in the rural and suburban areas and the ones developed with Hong Kong capital, depend primarily on near-desperate, undereducated manual workers drawn from poverty-stricken areas of the countryside that are experiencing huge labor surpluses. These workers are treated as a labor reserve, people who "come when beckoned and leave when dismissed," in the words of a Chinese periodical.

As with any migrant labor world around, these peasant-workers are handed the dirty jobs. They receive few or no benefits and have no job security. An apt comparison would be to the miser-

able workplaces of mid-19th century England as described by Charles Dickens.

In one representative joint venture, where the partner is from Hong Kong, workers are given two 10-minute rest periods a day, during which more than 200 women must compete for two toilet stalls. Not surprisingly, many cannot contain themselves while waiting at their machines.

Appalling conditions abound in various firms. Sixteen- to 18-hour days with no extra pay are common. In some Japanese firms in China, if a worker is late, he or she has to stand outside and suffer humiliation for an hour. (Such practices are also reported in Taiwanese, Korean and Hong Kong firms in China.) Cursing, beating of workers, deductions of their wages and bonuses, and arbitrary firings are not uncommon.

Chinese journalists writing in a magazine in Guangdong Province revealed that in the entrepreneurial sector (including both foreign-funded and Chinese firms in the rural areas) the Pearl River Delta 12- to 18-hour days, seven-day weeks, 20-minute lunches, and a total absence of labor protection, sanitation and injury compensation are the rule — all flying in the face of state regulations.

There are grim tales of fires, such as one in a Shenzhen factory in November 1993 in which 34 workers, locked in to prevent theft, burned to death.

As compared with these "entrepreneurial" firms, those in the state sector treat migrant workers with at least a degree of dignity. Most transients' jobs are guaranteed by three- to five-year contracts, and many offer low-cost medical care, some bonuses and subsidies. At least minimal sanitary and safety standards are observed, and

the workweek consists of six eight-hour days. Benefits may be far skimpier for peasants than for the permanent urban regulars in the state firms. But in reports and interviews on treatment of rural migrants, there are no stories of a total lack of benefits, of assaults on workers' dignity and bodies, of poisonous exposures, excessive overtime, embezzled wages or frisks and searches, as we find repeatedly in press reports on the foreign-funded ventures.

Why this discrepancy? Primarily because while China is in the midst of a transition away from socialism, this does not mean it is going to step directly into the sort of mature capitalism that we in the West tend to associate with a market economy. In those areas where the state is largely absent, the transition to welfare state capitalism as we know it does not take place easily or rapidly, just as it did not in the West.

Instead, what we see is a raw, unadulterated laissez-faire capitalism, made possible in part by the fact that decades of Communist Party rule have undermined the rule of law, given workers little opportunity to organize, and allowed local party officials to rule much as they please.

Firms in the state sector, however, are at least somewhat affected by the regulatory climate and the tradition of benefits and welfare that have shaped socialist work places for some 40 years. Granted, workers in the state firms also suffer under the authoritarian rule of the party. But the regulations of the state continue to provide some protection for workers — at least until the day when more "entrepreneurial" reforms destroy this legacy altogether.

The writer is a professor at the University of California, Irvine. She contributed this comment to The Washington Post.

## Policy-Making on the Golf Course? Are They Serious?

By A. M. Rosenthal

NEW YORK — Somebody once asked Art Buchwald whether it was hard to keep coming up with great ideas for his humor columns. Why, not at all, he said, not in a country that sends a cake to Ayatollah Khomeini.

That's all there is to it. These humor fellows just roll around. Now and then they reach out for a piece of real-life workmanlike nobody could possibly make up. No research, no interviews, no nothing. For this they get paid huge amounts of money.

So I have to assume Art Buchwald or Russell Baker has already spotted the lead editorial in The Wall Street Journal of May 11. But if not, I offer it to them in gratitude for columns past and future.

The Journal comes up with a really terrific idea for President Bill Clinton. The editorial tells him how to tear up the promises in his own executive order linking continuation of low tariffs to China's human rights progress. The Communist government, and still come out look-

ing shiny with honor, a regular hero. Golf. Just one round of golf.

The Journal wants the president to forget all about that linkage stuff, which it thinks is a lot of nonsense that would hurt trade with China and damage China's "entrepreneurial class."

Lots of Americans in the China trade have been putting pressure on the president to walk, run or wiggle out of the official promises he made to Congress and the American and Chinese people last May.

Mr. Clinton has until June 3 to make up his mind. The Journal is happily confident he will not live up to his commitments to use economic pressure as a way of getting the Chinese Communists to go a little easier on torturing prisoners or allow dissidents to speak up a bit.

The Journal reports approvingly and correctly that that is the word out of Washington, "notwithstanding China's continuing disdain for minimal human rights norms." But it does seem

concerned that changing his mind and breaking his word on China might make the president look bad.

So the editorial says that all the president has to do is to play a round of golf with two Asians not admired by Beijing — the president of Taiwan, Lee Teng-hui, and a feisty Hong Kong legislator, Martin Lee — and make sure there are plenty of photographers around.

Flanked by these two, Mr. Clinton can announce that he is renewing China's low-tariff trade privilege for the good of the Chinese people. Their presence will be a "rebuff" to the Beijing Communist leaders that presumably will make tears rise to their eyes as they continue exporting their goods to the United States — four dollars' worth for every one they buy from the United States.

But if he makes a decision to break his word without a gesture toward Asia's democrats, The Journal fears "Mr. Clinton will appear to be capiti-

ulating to China's dictators." The golf game will prevent that, it says.

Now, I read The Journal with respect. I think its business coverage is coming along fine and is a potential challenger to that of The New York Times. Generally I have a high rate of approval-nods about its editorials.

So I was struck by the thought that maybe the editorial was some kind of joke, a piece of irony. I called The Journal and was told pleasantly enough that no — they meant it. A round of golf was indeed their proposal — a gleaming New World Order of appeasement through sport.

But somehow I do not think it will work. My problem may be that after having spent nine years associating with Asians in my reporting days at the early United Nations and six years living among them as a foreign correspondent, I did not find them the intellectual dolls, spineless fools and malleable wood-headed puppets The Journal takes them to be.

How in heaven can usually intelligent people become so insultingly condescending, so sorrowfully insensitive as even to think that Asians or any other people are so dense and unaware of truth as to take a photograph of their president as the moral equivalent of standing by a human rights pledge made by the president of the United States?

No, it will not and cannot be seen that way in Asia, all nice-nice. If Mr. Clinton breaks this promise he will, of course, be seen as a man who is neither to be honored nor considered of consequence — all through Asia and nowhere more clearly and contemptuously than in the government chambers of Beijing.

The New York Times.

## Clinton Learns How Right He Was

By David S. Broder

WASHINGTON — A year ago, President Bill Clinton gave an interview to several of us at The Washington Post that sheds light on what has happened to him and to America since then.

The theme of his remarks was that change is not easy. At the end of the interview, he stood before the fireplace in the Oval Office and recited to us a passage from Machiavelli's "The Prince."

In a hoarse voice, he said, "Listen to this: 'It must be considered that there is nothing more difficult to carry out, nor more doubtful of success, nor dangerous to handle, than to initiate a new order of things. For the reformer has enemies: all the old lawbreakers and all the new-law followers.'"

Mr. Clinton had been in office less than four months at the time, but already had experienced the ups and downs that have continued to mark his tenure. He had lost the battle over Zed Baird and had been buffeted on gays in the military.

Bosnia was a nightmarish dilemma then, as it is now, and the frustration showed. "I want to get it resolved," he said. "I'd like to go on with something else. I wish I didn't have to spend so much time on it."

But nothing would be easily resolved on that or other questions. Back then, Mr. Clinton was wrestling with the choice of a Supreme Court nominee. It had been eight weeks since Justice Byron White had announced his plans to retire, and it

would be four more until Mr. Clinton finally chose Ruth Bader Ginsburg to replace him. A year later, and another Supreme Court vacancy, and again, another prolonged, public agonizing over the choice.

Mr. Clinton, we now know, does not make decisions easily. He likes to walk around a problem and examine it from all angles. He is not exactly a Harry Truman when it comes to resolving his doubts and not second-guessing himself.

Nonetheless, on his main assignment, to promote economic growth and jobs, he has held to his course and produced results. The interview with The Post a year ago was interrupted by a phone call from Dan Rostenkowski, reporting that the House Ways and Means Committee, of which he is chairman, had just passed the Clinton economic plan by a straight party-line vote. The president was jubilant. "They got them all," he exclaimed, referring to the unanimous Democratic vote. "They got them all."

The economic plan was approved by Congress, and today's U.S. economy is a far healthier one than that of May 1993. Unemployment is down from 7 percent to 6.4 percent, despite a change in the formula that probably adds a half-percentage point to the count. The NAFTA agreement which Mr. Clinton fought successfully to get through Congress last fall is producing the predicted boom along the border with Mexico.

Even in Michigan, where labor

union and Democratic Party opposition to NAFTA was centered, things are going so well that a Detroit newspaper recently headlined, "Michigan's Economy Sees a Hot Pace" with unemployment at its lowest level in 20 years; 96,000 new jobs were generated in April alone.

If everything is so good, then why do so many people — including the president — feel so bad? In a self-pitying moment during his recent televised town meeting in Providence, Rhode Island, Mr. Clinton whined that "I've been subject to more assault than any previous president," by people poking into his past.

He has forgotten the jibes other presidents endured. Foes questioned the legality of Lyndon Johnson's first Senate victory. Richard Nixon was reminded endlessly of the Howard Hughes loan to his brother, John. Kennedy was accused of letting his father buy his election and Ronald Reagan of living off the charity of rich friends.

But it is not just Mr. Clinton who is in a pout; the whole country is. A month before we interviewed Mr. Clinton in 1993, 71 percent of those polled by The Post and ABC News said that the country was "seriously off on the wrong track." Last month, 69 percent were of the same view.

Mr. Clinton said in that year-end interview that if he could relieve "a lot of the economic uncertainty out there," he was sure people would feel better about the nation's prospects. The uncertainty has been reduced — but the pessimism persists. It seems Machiavelli was right.

The Washington Post.

## Only Force Will Free Haitians

By Richard Haass and Stephen Solange

WASHINGTON — After years of efforts by two administrations to restore democracy to Haiti by limited sanctions and diplomatic means, it is clear that U.S. policy is not working. Both Haitian democracy and American credibility are now on the line.

Yet it is doubtful that the comprehensive embargo just adopted by the United Nations Security Council will work either. Goods will continue to enter Haiti from the Dominican Republic, and Haiti's military leaders will find ways not only to survive themselves from the hardship but to profit from it. Meanwhile, the bulk of Haiti's 6 million people will be driven deeper into poverty and despair.

Further diplomatic efforts to broker a deal by which the military leaders would step down and President Jean-Bertrand Aristide would return are almost certain to fail. The Haitian High Command has no intention of permitting him to come back.

Yet without the return of Father Aristide, the winner of the only free and fair election in the history of Haiti, it is impossible to consummate a settlement that would help establish a legitimate democratic government in Port-au-Prince.

Before a band of Haitian hostages managed to scare off a U.S. war vessel in October, the more than a military intervention might have forced. Now, nothing short of a total force is likely to succeed.

A military intervention need not and should not be undertaken by the United States alone. In Haiti, a unilateral intervention would trigger a nationalist reaction. In the hemisphere, it would provoke a resurgence of anti-Americanism. In the United States it would produce a backlash against another international burden.

There is an alternative: multilateral intervention. A U.S.-led coalition could include forces from Canada, Venezuela and the Caribbean. Such an approach might receive UN support once it became clear that the strengthened sanctions were not working, but even if both the UN and the OAS balked, the effort would be seen as legitimate in the eyes of most Haitians.

Defeating the small, lightly armed and poorly trained Haitian military would not be hard. The real challenge would come not in winning the "war" but in securing a lasting peace. Getting it is always easier than getting out. Yet an exit strategy is surely feasible. The United States could take on the lion's share of the initial operation. But most of the manpower for the subsequent task of providing security and establishing a reliable indigenous force capable of maintaining law and order could come from other countries in the coalition.

Indeed, one advantage of such an intervention is that it would make it possible to disarm and demobilize the Haitian military. In comparison with a political settlement, in which the top brass presumably would be sent into exile while the rest of the military remained essentially intact, the replacement of this rapacious rabble with a more honest and responsive security force would greatly improve the long-term prospects for decent and democratic governance.

To be sure, such an operation would bring casualties. It would cost money. Foreign troops might be required for a few years while adequate security conditions were created. And there is no guarantee it would result in the establishment of a lasting democracy.

Yet, the alternatives are worse. Tougher UN sanctions will only destroy Haiti. Lifting sanctions while entering into some cosmetic arrangement with the current regime would constitute a blow to the cause of democracy, not just in Haiti but in the hemisphere. It would erode the credibility of the United States, which can no longer afford to speak loudly while carrying a small stick. And organizing a legion of Haitian exiles to liberate the country would take too long and result in substantially more bloodshed.

As a rule, military force cannot in itself create conditions of democracy. But it can provide an opportunity that otherwise might never come. This is the lesson of Panama and Grenada. It should be applied in Haiti.

Mr. Haass was a senior member of the National Security Council staff in the Bush administration. Mr. Solange is a former Democratic representative from New York. They contributed this comment to The Washington Post.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1894: Inartistic Stamps

PARIS — The great artistic event of the hour is not the Salon of the Champs-Élysées. Nor is it the Salon of the Champ de Mars. It is the failure of the competition for the designs of the new postage stamps. Several hundred artists sent in designs, but they were all, without exception, so bad that none of them were accepted. It seems probable that there will be a return to the old system, under which the State gave a commission direct to an artist of position.

### 1919: 'Dreadful' Terms

BALE — In his speech at the sitting of the German National Assembly in Berlin yesterday [May 12], Premier Scheideemann said that the Peace Conference was unacceptable. Scheideemann also called the terms outrageous, murderous, throttling, strangling, enslaving, humiliating and everything dreadful. The Government has presented counter-

propositions and will present others, and considers that its most important task is to bring about negotiations. Scheideemann has been informed by the leaders of the Centre and Democratic parties that their followers are openly opposed to the signature of the Versailles peace conditions and will recall their members from the Government if it should be decided to sign the Treaty.

### 1944: Surrender Details

LONDON — [From our New York edition:] American-British-German plans for acceptance of Germany's surrender are almost completed and the call for the utter dissolution of the Prussian-built army. This was a term for Germany to take to differ from the last war's in that they are "surrender" rather than "armistice" proposals. Among the details now being worked out are those dealing with what German territory would come under control of the American and British and the Soviet armies.

**International Herald Tribune**  
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S.A. an capital de 1,200,000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337  
© 1994, International Herald Tribune. All rights reserved. ISSN: 0246-8062



## China's President Calls Crackdown Key to Prosperity

Compiled by Our Staff From Dispatches

BEIJING — Five years of prosperity and stability since the Tiananmen Square crackdown of 1989, the army's repression was right thing to do, according to President Jiang Zemin.

"A bad thing has been turned into a good thing," said Mr. Jiang, who also heads the Communist Party.

"As a result, our program of reform and opening has forged ahead with steady, better and even quicker steps, and our advantages have been brought into fuller play," he was reported to have told Prime Minister Mahathir Mohamad of Malaysia on Thursday.

Western diplomats interpreted Mr. Jiang's comments and the prominence given to them as a clear warning to anyone contemplating a challenge to the regime.

"The fact that Jiang was the mouthpiece underscores the severity of the message," one diplomat said.

Mr. Jiang was Communist Party leader in Shanghai at the time of the Tiananmen Square massacre and emerged relatively unscathed in the aftermath, which makes his endorsement of the military suppression all the more significant, according to some analysts here.

Mr. Jiang said history showed that the Communist leadership had no choice on June 3-4, 1989, but to crush the demonstrators, who were advocating political liberties and

an end to corruption. The demonstrations had paralyzed the capital and spread to many parts of the country.

Unknown hundreds, and perhaps thousands, of demonstrators were killed in the dusk-to-dawn military assault in which members of the People's Liberation Army shot their way through the city into Tiananmen Square, where hundreds of thousands of Chinese students, workers and intellectuals had been demonstrating for six weeks.

"History shows that anything conducive to our national stability is good," said Mr. Jiang, who rose to power after a purge of leaders who were seen as too sympathetic to the demonstrators.

His comments, carried prominently in the party paper People's Daily and other major newspapers, are likely to be repeated in coming weeks as China's people — and the world's press — reflect on the events five years ago.

"Without the resolute measures taken then, China would not have enjoyed today's stability," the Xinhua press agency quoted Mr. Jiang as saying.

"In the past five years, China has enjoyed economic development, social stability and improved livelihood of the people, thanks to our consistent efforts to take stability as an overriding priority," he said. "Facts prove this is absolutely correct," Mr. Jiang said.

(Reuters, AFP)

## CHINA: Tougher Curb on Activists

Continued from Page 1

gious groups, members of ethnic groups who call for independence, and political dissidents. They add 18 new offenses to reflect "newly emerging public security problems in the country," according to the Xinhua press agency. The provisions were initiated by the Ministry of Public Security.

Officials declined to provide a full text of the offenses. But according to official reports, these are among them:

- Carrying out activities under the name of a social organization without registration.

- Organizing activities of superstitious sects and secret societies to disrupt public order.

- Disturbing public order and damaging people's health through religious activities.

- Stirring up conflicts between nationalities, harming their unity and inciting separation of nationalities.

- Fabricating or distorting facts, spreading rumors or otherwise disrupting public order, or doing harm to the public interest through other means.

One offense in particular — "disobeying supervisory provisions while individuals are under surveillance, deprived of political rights, or on probation or parole" — seems aimed at former political prisoners. These individuals are usually subjected to numerous restrictions after their release.

Mr. Wei, for example, has been accused of violating the conditions of his parole. After nearly 14 years in jail, he was released last September days before the International

## TRADE: China Wish List

Continued from Page 1

added. "There are long memories everywhere in China; if you let people down, they don't forget it. If you stay with them, they remember it."

Both ABB and Boeing, along with Caltex Petroleum Corp. and Peregrine Investments Holding Ltd., were leading sponsors of an economic conference organized by the International Herald Tribune and China's State Commission for Restructuring Economic Systems, which closed Thursday.

"Usually, foreigners don't like to transfer technology, they just want to sell products," said Ye Sen, director general of the International Consulting and Service Center, part of the powerful State Commission for Restructuring the Economic Systems.

"American firms sometimes are willing to do it," he said, "but Japanese firms often do not. They are usually more conservative. They just want to occupy market share, not transfer technology. And if they do, it is not new, high technology."

"On the other hand, Japanese companies are more competitive than the Americans," Mr. Ye said. "They specifically design products for the Chinese market — basic but cheap."

But while price is still a key consideration here, China is now demanding more.

"Chinese companies now have higher expectations," said Zhou Chongxin, business development manager of Xuzhou Construction Machine Group Co., which has invested more than \$300 million in modernizing its manufacturing and product lines.

Last year, Xuzhou Machinery exports hit \$31 million, a 72 percent increase over 1992, which Mr. Zhou largely attributed to its technology cooperation with Liebherr of Germany and Tadano of Japan.

The recent formation of a joint venture with Caterpillar Inc. to build backhoes is typical of the type of deal Xuzhou believes will further expand China's business.

Olympic Committee was to announce whether Beijing or four other cities would play host for the 2000 Summer Olympics.

But he angered authorities by continuing his calls for democracy and meeting this spring with the State Department's top official on human rights.

He was re-arrested April 1 and is being investigated for unspecified "new crimes." His case exemplifies the continuing persecution that dogs political prisoners once they are released.

Under the new regulations, those who commit any of the 18 offenses, but whose violations are not serious enough to warrant criminal charges, can be held for up to 15 days detention and fined up to 3,000 yuan, about 10 months of an average worker's wages.

Because the regulations come under the category of administrative law, the police have the power to determine whether an offense has been committed, and to impose punishments without any judicial process. Amnesty International has criticized the new regulations because they give Chinese police even greater power to detain and punish anyone whom they deem is opposed to official policies.

## BERLIN: The 'Amis' March Away

Continued from Page 1

Hans-Dietrich Genscher once put it, "the Atlantic doesn't get wider?" Assuming that the schedule remains intact, the farewell festivities in Berlin will step up as the weather warms. In mid-June, the three Western Allies will march together for the last time, and in mid-July President Bill Clinton will help close down the Berlin Brigade, formed to protect the city when the Berlin Wall went up in 1961. A farewell for Russian troops — to be attended by President Boris N. Yeltsin and Chancellor Helmut Kohl — will take place Aug. 31.

Already, U.S. troop strength here has dwindled to 2,000, compared with 7,000 in 1990, and most of them will be gone by the time the Sept. 8 ceremonies take place.

The U.S. Army is now busy vacating barracks, deconsecrating chapels and shutting down schools. The American quarter here, which will revert to the German government, is beginning to look a bit like a ghost town.

Now 63, Mrs. Ritter belongs to a generation for whom the American occupation meant deliverance. With nostalgia she recalls the benchmarks of survival: the post-war CARE packages from America, crammed with powdered milk, canned beef and chewing gum; her mother's earnings dollars by washing and ironing GI fatigues; the Berlin Airlift in 1948-49 and the tons of candy dropped on little parachutes by U.S. pilots banking into Tempelhof Airfield; the defiant "Ich bin ein Berliner" speech by President John F. Kennedy when he visited Berlin after the wall was built.

Then, the weddings. In 1969, her eldest daughter, Eva, married Jerry Wolfe, a U.S. Air Force enlisted man from Brooklyn. In 1980, her daughter Astrid married Sergeant First Class Temo DeLeon, of Ontario, California. In 1989, Jeanette married David Freeman of Gatesville, North Carolina, who came here as a GI and stayed as a civilian.

In 1992, Nicole married Staff Sergeant William Boyden of Boston. Then Nicole's twin, Patricia, married Sergeant Boyden's buddy, Sergeant Chris Fawcett, from Pennsylvania. Collectively, they have provided the Ritters with 11 German-American grandchildren.

"I'm convinced if we had five more girls, we'd have five more American boys in the family," Mr. Ritter said.

## BOSNIA: West and Russia Call for a 4-Month Truce

Continued from Page 1

showed little inclination to revive peace talks and said they would take part only if there was a Bosnia-wide truce first. The Bosnian government fears a truce would freeze current front lines, giving Serbs most of the country.

The presence of the American and Russian delegations here renewed hopes that movement could be forced on the combatants.

The U.S. Senate voted, 50 to 49, Thursday to lift the arms embargo against Bosnia unilaterally to

## Arabs Pressing Cease-Fire as Yemenis Clash

Reuters

ADEN, Yemen — Southern Yemeni forces reported a 10th day of clashes with their northern foes on Friday as Arab League officials tried to broker a cease-fire in the capital, Sana'a. Evacuation of foreigners continued.

A southern military statement said the South was countering northern attacks in the mountainous Dhalea region, which lies on a key road to the southern capital, Aden.

A northern military spokesman said on Thursday that northern forces had captured the province and city of Dhalea, 100 kilometers (60 miles) north of Aden. Fighting was also raging at Anad, 60 kilometers north of Aden, and in Abyan Province, east of the southern port.

Independent verification of military claims was not possible.

An Arab League mission, led by Assistant Secretary-General Mohammed Said Barakat, met government officials in Sana'a and were to meet President Ali Abdullah Saleh.

The war broke out on May 4 after months of feuding between Mr. Saleh, a conservative, and Vice President Ali Salem Baid, a socialist, over the balance of power between north and south in a unified Yemen formed in 1990.

## DRUGS: Problem on Wall Street

Continued from Page 1

Even before Mr. Kudlow and Mr. Lazard, there was growing concern among some Wall Street executives about the use of drugs among employees. Some firms started employee assistance programs, making treatment available confidentially.

But other firms did not start such programs because they were convinced they did not have a problem, doctors and others say.

"Clearly, denial is the order of the day," said Jack Lawn, former Drug Enforcement Administration administrator who is now chief of operations for the New York Yankees and has consulted on drug-abuse issues with investment firms.

The subject is so sensitive that few leading firms were willing to discuss their programs even in general terms, and most refused to comment or be identified for this article.

"This is not something we generally want to talk about," said a Merrill Lynch spokesman, adding, "Merrill Lynch is against drugs."

"We don't wish to comment about the policy or discuss it," said a spokeswoman for Bear Stearns, where Mr. Kudlow worked until he resigned in March.

A few Wall Street executives were not so reticent to discuss their philosophy.

"We do think about it — I think the good news is that I don't think about it every day," said William Higgins, a principal and director of human resources at Morgan Stanley. "We make it very clear to people that this is something we have put in place, that we found because we believe that it adds value to the Morgan Stanley franchise. I don't mean this in the sense of making it a nicer place to work but I mean commercial value."

"The problem is that we've been through negotiations before, and each was accompanied by aggression and attacks from the Serb side to create pressure," Mr. Slajdzic said. "We want to know what the guarantees we won't be attacked — not assurances, firm guarantees."

Bosnian presidency, said the U.S. vote to end the embargo would help get the Serbs back to the table.

Bosnia's prime minister, Haris Silajdzic, said he was cautious about resuming negotiations.

Russian legislators responded angrily Friday by deciding to lift the arms embargo against Serbia if the United States or any other country begins supplying arms to Bosnian Muslims. Russia and Serbia are traditional allies.

Ejup Ganic, a member of the

Continued from Page 1

and Jordan set in motion a march toward statehood that they believe is irreversible.

Jericho, with its population of 15,000, looms large for now in their dreams. Here is where the PLO will establish headquarters in the territories. Here is where Yasser Arafat, the PLO chairman whose portrait is everywhere now, plans to make a triumphant entry next month, an intention that he reaffirmed in Tunis.

About 1,500 of an authorized 9,000 police officers are now on duty in Jericho and Gaza. Officials expect the rest of the coastal strip to be in Palestinian hands by the middle of next week.

Although no Israeli soldiers are now based in

the Jericho district, some are permitted to enter it for joint patrols with Palestinian officers.

Those patrols began Friday — four armed Israelis in a jeep followed by four armed Palestinians in a van.

But that aside, the Palestinian officers have yet to take up their duties in earnest either in Jericho or Gaza, for the first days are to be devoted to becoming familiar with the terrain. Similarly, Palestinian civil authorities have yet to take control in either area.

The PLO has named 15 of the 24 members of a new Palestinian National Authority that is to oversee the self-rule, a partial action taken somewhat hastily to show skeptics that it is indeed getting ready to take charge.

## JERICHO: Palestinian Policemen on the Beat Say Jews Are Welcome

Continued from Page 1

service of the Palestine Liberation Organization, roaming the Arab world, serving as fighters in the 1982 Lebanon War, and later serving in the Palestinian brigade in Iraq.

They were not anxious to discuss what they did in Iraq.

"It's none of your business," snapped Mr. Hassan.

While they came prepared with uniforms that appeared freshly tailored and carried weapons without a scratch on them, most of the fighters said they had no idea what they were going to do as the new Jericho policemen.

Many of the Palestinians in the territories whom they have come to protect speak Hebrew from years of working inside Israel, and are well acquainted with the Israelis after a quarter century of close proximity and conflict. But Al Aqsa Brigade fighters have had no first-hand contact with Israel except as warriors. Their views about their new neighbors, the Israelis, were mixed — some were hopeful of cooperation, others ambivalent and suspicious.

Abu Issam, a 56-year-old soldier, handed his unloaded weapon to the admiring boys at his knees. The boys gleefully toyed with the weapon and squeezed the trigger. Issam said that since 1967, he had served in Jordan, Syria, Lebanon, Algeria and Iraq. Asked what kind of police work he intended to do in Jericho, Issam said, "First to defend democracy, second to keep law and order, and third to help my people."

Wael Abdel Mussan, 35, a captain who was born in Jordan, said he had long dreamed of the return to the land of his parents.

"I wanted to kiss the ground," he said in the courtyard of the Palestinian barracks, which had been vacated just hours earlier by the Israelis. Although he now stood less than a half-hour drive from Jerusalem, Mr. Mussan said he had never met an Israeli, never even uttered the greeting "Shalom."

When asked how he would feel working in close proximity with Israeli soldiers whom he had long fought, Mr. Mussan said, "The situation just forces us to deal with it."

A duty is a duty, and it is far removed from feelings," he said. "But his personal views, he said, were bitter."

"The inside feeling I have is a different thing," he said. "They have to leave our homeland. When the Israelis came and took our lands, they did not have discussions, they did not negotiate. When we take back our homeland, we will not discuss or negotiate about it."

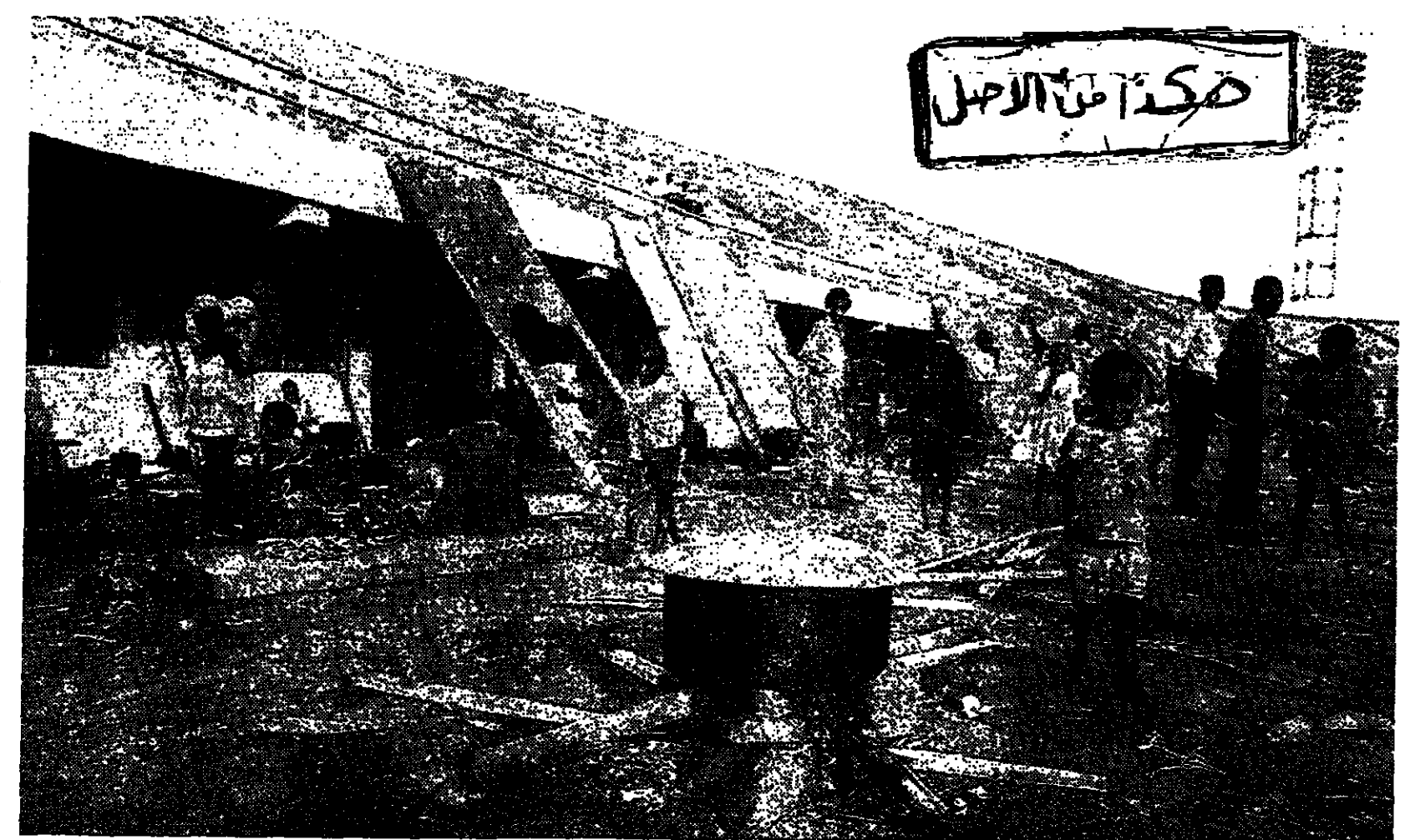
Samir Tamari, 30, left Bethlehem when he was a child at the time of

the war. In recent years, he said, he was a "fighter and politician" in Jordan, Kuwait, Baghdad, Syria and Lebanon.

"For a while I was president of the Union of Palestinian Students," he said when asked whether he had an occupation. "It was the revolution."

But now the Palestinian fighters have reached a new stage, he said. "We were in a fight, but now we are in a peace," he said. "We have to understand that phase."

When he was a child at the time of



Rwandans like these have taken a precarious refuge in the sports stadium of the capital, Kigali. About 20,000 people have sought shelter there and in hotels and churches.

## UN Fears New Round Of Killing In Rwanda

Compiled by Our Staff From Dispatches

KIGALI, Rwanda — Renewed fighting between rebels and army troops blocked aid deliveries to refugees on Friday, and officials said the discovery of 88 hacked bodies in southern Rwanda could mean a resurgence of ethnic savagery.

In Tanzania, giant U.S. Starliner planes landed at a remote airfield near Lake Victoria, bringing relief supplies for thousands of Rwandan refugees in the first American military venture in Africa since the Somalia operation.

Relief officials here had thought that fewer reports of killings meant that the ethnic bloodletting had slackened recently, but 88 students were found hacked to death Thursday in southern Rwanda. Seven people were killed with machetes in the capital.

"This is an indication there might be more grotesque untold stories behind the lines that are not accessible to us or to the press," said Abdul Kabia, a United Nations spokesman.

Meanwhile, Tutsi-led rebels and Hutu-dominated army troops skirmished with small arms and mortar fire, again stopping food deliveries from reaching refugees in the capital.

A brief lull in the exchanges of rockets, artillery and mortar fire allowed relief workers to hand out some food Thursday to about 15,000 people living under UN protection in Kigali.

On Friday, gunfire echoed from wide areas of the capital, but the heaviest concentrations came from the airport road and from Kanombe camp, an army stronghold adjacent to the airport defended by three battalions.

The students' bodies were found at a school in Gikongoro, about 85 kilometers southwest of Kigali.

Mr. Kabia said the seven people murdered with machetes in Kigali, found near the Red Cross building, were killed on Thursday.

"My concern is more of these incidents will be discovered when international organizations have access behind the lines currently held by militias and other forces," he said.

An estimated 100,000 to 200,000 people, mostly civilians, have been killed in the slaughter between the majority Hutu and minority Tutsis, the UN and aid groups say.

Militias, composed mostly of Hutu youths organized by extremist political parties, are believed responsible for much of the butchery.

(AP, Reuters)

## UNEQUIVOCAL MARKS OF PRESTIGE

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# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Mixed News for Europe

The crispest summary of Europe's parliamentary election is that, with a single exception, this was a vote not about Europe but about 12 separate countries. It will send no message to the spines of those who seek a Europe prepared to act as one. Turnout, at around 56 percent, was slightly lower than in the previous election in 1989. And those who did vote overwhelmingly wanted to say things about their national politics, not about the politics of Europe as a whole.

What they said was bad news for John Major's Conservatives in Britain and Felipe González's Socialists in Spain. Just as predictably, Silvio Berlusconi's new Italian government was given the Euro-slot previously occupied by the scandal-smashed Christian Democrats. The vote confirmed the German opinion polls' earlier good news for Helmut Kohl, whose steadiness under fire in economic hard times now gives his Christian Democrats a chance of holding off the Social Democrats in Germany's own election in October.

By the all-Europe test, this was parish-pump voting. The exception was in France, where the party led by Philippe de Villiers won a startling 13 seats. These people go to the European Parliament to resist the centralizing power of the Maastricht treaty. They did far better than the German anti-centralizers led by Manfred Brunner. In that contrast lies a potential test for the European Union.

The new Parliament's Christian Democratic contingent is bigger than expected, mainly

because Chancellor Kohl did so well in Germany. The Christian Democrats want a federal Europe, and will hope to point the Union's governments in that direction when they meet to talk about the Union's future in 1996. But no great change in Europe can happen without the joint consent of France and Germany. And it will be harder for any French government to agree to new centralizing moves now that the French doubters have won a foothold in the European Parliament. This road forward looks even stonier than before.

There is, however, another road that suddenly has a clearer view ahead. The most important Euro-vote of the past week was in none of the Union's 12 countries. It was in Austria, whose people on Sunday said with a clear voice that they wished to join the Union. The Austrian vote makes it likelier that Sweden, Finland and Norway will say the same when they hold their referendums later in the year. That will make it easier to argue for extending the Union deeper into Central Europe, to take in Poles and Czechs and Hungarians — maybe even Slovaks and Slovenes — as well. The widening of the Union will not be easy. It will mean battles about its farming policy, about the distribution of its regional aid, about the shape of its future constitution and about the purpose of the entire enterprise. But a wider Union is the one thing that most Europeans clearly seem to want by the millennium's end.

INTERNATIONAL HERALD TRIBUNE.

## Change in Mexico

Mexico's political life is moving far from its accustomed track. The presidential election is on Aug. 21, and the long-dominant Institutional Revolutionary Party, the PRI, is heavily favored to win. But for the first time since 1929 this is not an absolute certainty. And that is not the only evidence of fundamental change in Mexico's attitudes about the generally benign but highly authoritarian one-party system that has been running their country.

The PRI's candidate, Ernesto Zedillo, is a highly skilled technocrat, but he lacks the political experience of his assassinated predecessor, Luis Donaldo Colosio. Now that the party is under unusual pressure, one question is whether Mr. Zedillo will allow himself to be pushed into compromises with the party's old-line bosses, who are by no means ready to share power and patronage with other parties. At the top of the PRI there is a real desire to open up and clean up the electoral system, but there has always been a strong temptation to resort one more time to the old tradition of vote-rigging.

Until recently it had seemed that the major challenge to the PRI would inevitably come from the left. But the left has been fading in the polls, and the real opposition is now on the right — the National Action Party and its candidate, Diego Fernández de Cevallos. One

consequence is that the North American Free Trade Agreement with the United States and Canada is not turning into much of an issue. Most voters seem more interested in which of these two parties can best lead the country through rapid change and growth driven by the foreign competition to which the Mexican economy is now exposed.

The PRI has been damaged by its mishandling of the response to the Colosio assassination in March. President Carlos Salinas de Gortari set up an investigative commission that has now resigned in a body, charging that the government never gave it the authority it needed for a genuinely independent inquiry. The president also appointed a special prosecutor, who first declared that the killing involved a conspiracy, then some weeks later acknowledged that there was no evidence that it was anything but the work of a lone gunman. The effect has been to generate clouds of suspicion and conspiracy theories.

In the past a Mexican presidential election has been little more than the ritual enthronement of the PRI's choice. This year it is different. For the first time in the life of all but the oldest of voters, Mexico is moving toward results that are not totally predictable.

— THE WASHINGTON POST.

## Moynihan to Clinton

Of the five congressional committees handling health care reform, Senate Finance may well be the one with the best chance of putting together a bill with enough Republican support to carry the full Senate. Its makeup of 11 Democrats and nine Republicans encourages bipartisan bargaining. That is why the odd bill proposed last week by its chairman, Senator Daniel Patrick Moynihan, is important.

Viewed as a health care plan, the bill disappoints. It borrows in modified form the president's idea of requiring employers to pay for workers' insurance. But it would allow individuals to use outside regional purchasing cooperatives; that invites the healthy to peel away and leave the chronically ill. And Mr. Moynihan shrinks back from proposing a limit on the tax deductibility of premiums — the best way to get consumers, and therefore health plans, to pay attention to costs; he thereby proposes a market-based system with no effective market incentives. In a word, odd.

But Mr. Moynihan was playing politics, not health economics. And his touch appears deft. He offered a bill that, despite differences, borrows heavily from the Clinton plan because he knew it would fail — proving once and for all that the president's plan cannot win and that horse trading is essential.

The Moynihan bill will not attract moderate Republicans, like John Chafee of Rhode Island and John Danforth of Missouri, or conservative Democrats, like David Boren of Oklahoma, because they are not ready to accept a strict employer mandate. After the plan fails in committee, Mr. Moynihan knows that the key players will have to make a fateful decision: either compromise or walk into the November elections with no reform in hand.

The disturbing outcome of last week's going on is that "two bills" seems to be the only realistic option. Republicans like Representative New Gingrich of Georgia and Senator Phil Gramm of Texas are gearing up to go before voters and take credit for saving them from, in their view, President Clinton's version of socialized medicine; and the right-wing vote seems to be driving the powerful Senate minority leader, Bob Dole, away from compromise, perhaps afraid that his colleagues will slice him up if he makes a deal with the White House.

There are plenty of Democrats, like Representative John Dingell of Michigan, who are also threatening to pass. They privately express a willingness to go into November blaming the Republicans for the death of health reform rather than accept a bill that backs away from Mr. Clinton's lavish promises.

Ending 1994 without a bill would squander a historic chance to guarantee citizens of the richest nation that medical catastrophe will no longer lead to financial catastrophe. The legislative season will be shortened by the elections. The only force big enough to turn the politics around in time is the president. And he will have the opportunity when he brings Mr. Moynihan and the Finance Committee's ranking Republican, Bob Packwood, to the White House on Tuesday. He should state unequivocally what compromises he could swallow in order to get a bipartisan deal.

That might mean phasing in universal coverage more slowly than he originally proposed. It might mean exempting, for now, small employers from an employer mandate. Independent studies show that more than 92 percent of the population, accounting for perhaps 97 percent of health care expenditures, would be covered by reform that required insurers to sell coverage to every applicant at identical rates, with government subsidies for low-income families. There are many ideas around for picking up the stragglers.

Mr. Moynihan has put the ball in Mr. Clinton's court, which is where it belongs.

— THE NEW YORK TIMES.

## Other Comment

### Russian Sacrifice for D-Day

I thought the Normandy campaigners came off well last week; but my own thoughts dwelt heavily on the people of Russia. Between Hitler's ill-fated invasion of the Soviet Union in 1941 and D-Day, our Russian allies lost some 5.3 million combatants, 49,000 tanks and 30,000 airplanes. Yet they were still holding down about 200 German divisions on the eastern front. — W. F. Deedes, commenting in *The Daily Telegraph* (London).



'Crispy crow with most favored noodles — God, I love Chinese food!'

## A Serious Setback for Human Rights Diplomacy

By David C. Unger

NEW YORK — Bill Clinton was seeking to solve a political problem when he snuffed the link between China's human rights practices and its American trading privileges. Yet by rewarding rather than punishing China's rejection of reasonable American human rights demands, President Clinton damaged the credibility of American human rights diplomacy everywhere. That is no small loss.

Two decades of intermittent and occasionally successful U.S. human rights pressure on behalf of, among others, East European dissidents, South African blacks and victims of Latin American juntas made a difference to thousands of individual lives and made it easier for democrats in those societies to fight for political change.

The unhappy consequences may not be confined to citizens in dictatorships. Values can unite and inspire Americans in ways that brutal realpolitik or money lust cannot. Campaigns against arbitrary imprisonment, torture and forced labor and in defense of free expression broaden the appeal of American foreign policy, drawing ordinary citizens into world affairs.

Even after a heavy business lobbying campaign, polls showed strong popular support for using trade leverage to expand human rights. But the rhetoric of free-trade and jobs in the hot China market eroded Washington support for trade sanctions. Mr. Clinton then showed aside what had been a unifying expression of American

ideals in the name of economics and geopolitics. The message to the world's repressive regimes is now painfully clear: U.S. threats to impose economic sanctions to enforce human rights standards can in most cases be safely ignored. If your market is attractive, your support for U.S. diplomacy unreliable and your military power menacing, you can abuse your citizens at will, regardless of promises that you may have made to Washington or international agreements that you may have signed.

Why should China's leaders now think twice about persecuting and torturing dissidents, waging cultural warfare on Tibet or intimidating domestic and foreign journalists? And if the United States puts human rights pressure on smaller, weaker nations, like Haiti or Singapore, they can credibly claim to be victims of a great-power double standard that allows twisting the arms of the weak but not of the strong. Such bullying may work, but it lacks moral force and invites a nationalist backlash.

Recent American human rights diplomacy was launched nearly two decades ago by the moral idealist Jimmy Carter. Although directed at different targets, the diplomacy was enthusiastically pursued by his anti-Communist successor, Ronald Reagan, before being shelved by the *Realpoli-*

tiker George Bush. President Bush was not interested in using American leverage for human rights. But human rights sanctions remained a credible tool for use by a future president.

China, for example, had to think about the possibility of a tougher stand by Mr. Bush's Democratic successor. By deploying human rights pressure and then retreating at the first sign of resistance, President Clinton has sacrificed that credibility, perhaps for years to come.

American foreign policy cannot pivot exclusively, or even mainly, around human rights. Harsh-edged issues of military security and economic interest are compelling and must form the centerpiece of any sensible approach. Yet to deserve and win the support of the American people, a foreign policy must also reflect and advance American values.

From the days of the Monroe Doctrine, first formulated as a policy of keeping the Americas free from Old World imperialism, to the crusading zeal of the Cold War, successful American foreign policies have always contained a strong ideological component. With the Evil Empire rolled back and the United States physically secure, that idealism requires a new and constructive focus if America is to remain internationally engaged.

It is a shame, in more ways than one, that Mr. Clinton caved in so easily on human rights.

The New York Times.

## Back to 'Reform,' 50 Years After Bretton Woods

By Hobart Rowen

WASHINGTON — This year brings the 50th anniversary of the international conference at Bretton Woods, New Hampshire, in July 1944 that established new rules for the global monetary system. The Bretton Woods agreement created the World Bank and the International Monetary Fund, and set out the system governing major nations' exchange rates. Dollars, with a precise value in gold, were at the center of the system.

The Bretton Woods agreement underwrote a period of global prosperity from 1944 through the mid-1960s by maintaining fixed exchange relationships, among the major currencies. Then inflationary cracks began to appear in the system.

In 1971, after a celebrated meeting at Camp David, President Richard Nixon broke the link between the dollar and gold, creating a system of floating exchange rates. Since then governments have tried to "manage" the float, or to keep exchange rates within acceptable ranges. But success has been elusive.

Now, in the post-Cold War era, there is increasing talk of "reform" of the monetary system aimed at restoring, at least in part, the fixed-rate concept that began in 1944.

A commission headed by Paul Volcker, the former Federal Reserve Board chairman, will issue a report this summer suggesting adoption of formal "target zones" for exchange

rates, long advocated by the Institute for International Economics led by C. Fred Bergsten. Mr. Bergsten would limit fluctuations of the dollar against the yen, the Deutsche mark and so on to a "zone" plus or minus 10 percent of an agreed-upon figure. Unexpectedly, IMF Managing Director Michel Camdessus said in a speech last week to the Bergsten group that a move toward target zones would allow for a more stable and predictable economy. But in Spain on May 9 he conceded that he had not dealt with "the more fundamental question of the central authority of a stable world system."

In the Bergsten scenario, the IMF, rather than the Group of Seven, would have responsibility for managing exchange rates. Without that function, Mr. Bergsten warns, there is little excuse to continue the IMF as a separate agency; it could be merged, instead, with the World Bank. In the fall, at the annual IMF/World Bank meeting in Madrid, all these issues will be discussed.

What would loom most important, especially to business people, is any way to reduce the volatility of exchange rate fluctuations. Many of the recent high-profile hedge and derivative fund operations were triggered by a private effort to create insurance against wild swings in exchange rates.

But it is easier said than done. As former Treasury Secretary James Baker discovered when he tried to set up a system in between fixed and flexible rates, at the famed Plaza Hotel conference in New York in 1985, again in Tokyo in 1986, and then at the Louvre in 1987.

Trade imbalances remain politically troublesome after these exchange rate experiments. The experts are back at the drawing boards, seeking that elusive formula for currencies that will create just enough stability, but not rigidity, and just enough flexibility, but not huge gyrations.

The significance of Mr. Camdessus's endorsement of reforms to reduce the volatility of exchange rates is his implied blessing of the present rates as close to the right ones. Japanese officials, who have seen the markets boom the yen close to 100 to the dollar (it was 360 to the dollar at the end of World War II), will not like being locked in at that rate.

Clinton administration officials are anxious about enforcing precise target zones. Lawrence Summers, Treasury undersecretary for monetary affairs, doubts that governments can get the rates "right." If the markets challenge the rates, Mr. Summers disputes the notion that they can be defended merely by central bank intervention in the foreign exchange markets.

The banks still all have majority state ownership, so there would be no question of collapse. With inflation under 4 percent, an increase in inflation to provide a soft landing is tolerable. As for the economy as a whole, its export orientation — and weakening currency — provide alternatives not available in Japan, where a rising yen added to the deflationary impact of the bursting of the bubble.

If private investment slumps, the government could speed up its own, recently curtailed infrastructure investment. For now, the faster money growth being engineered by Taiwan's central bank has brought stock prices back above the 6,000 mark from 4,000 a year ago. But critics suggest that it is merely helping to push cash-strapped developers and banks with poor asset quality into shallower water farther from the shore.

For once, foreign investors may not have been booked. Foreign institutional money, moving in as fast as a reluctant central bank will allow, goes mostly into manufacturing stocks, especially electronics, plastics and textiles. Financial and construction sectors are being avoided. But Taiwan is sufficiently small and enough manu-

factures have debilitated in property development that a bad accident in that sector would have wider ramifications. The silver lining is that the situation will induce the authorities to speed up liberalization and market-oriented efforts to develop Taiwan as a regional service as well as manufacturing center. The foreigner may not be able to buy these empty apartments, but refugees from Hong Kong's even more abundant real estate prices and uncertain political future could fill some of those empty office blocks.

The Washington Post.

It is less a replication of Bretton Woods than a focus on micro issues (such as jobs, as discussed at the recent conference in Detroit) and the inclusion of other countries in the dialogue, in the pattern of the North American Free Trade Agreement. Next on line: extension of NAFTA-like privileges to 24 Caribbean nations at a Miami conference at the end of this year.

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## In Taiwan, a Bubble Threat With a Silver Lining

By Philip Bowring

TAIPEI — Japan's bubble and its aftermath are well known. Hong Kong is in the throes of one, with the familiar merry-go-round of cheap credit, feeding property and stock booms. Taiwan, despite being sheltered by controls on inflow from last year's world liquidity boom, is showing similar signs.

Didn't Taiwan have its bubble back in 1990, when the stock index went from 4,000 to 12,000 and back to 4,000? True. But that bubble was created by liquidity in an economy that for several years ran a trade surplus of more than 10 percent of GNP, where bank loans to deposit ratios were only 60 percent and domestic credit was only half of GNP. The boom and bust had little economic impact other than to redistribute ownership and wealth and make the Taipei stock exchange into one of the world's busiest; even in 1993, a dull year, its turnover averaged more than \$1 billion a day, nearly double that of Hong Kong. The current Taiwan bubble is different.

The pace of adjustment to a strong currency and high wages has exceeded expectations. Domestic demand has boomed, while U.S.-enforced appreciation of the currency and double digit wage rises have led many industries to move to cheap-labor locations in Southeast Asia and China. The ending of travel restrictions has made Taiwanese into some of the world's most eager tourists, spending a colossal \$7.5 billion last year.

The net result of all this is that the trade surplus is down to around 2 percent of GNP and the current account is only in the black because of earnings on its \$85 billion foreign reserves. Meanwhile, \$5 to \$10 billion a year in capital is moving out

the price boom. But no one can dispute that in the past four years domestic credit has risen by 110 percent while nominal GNP is up less than 40 percent and the ratio of bank loans to deposits has risen to 90 percent.

Without big land price falls — which would hurt government revenues as well as developers — Taiwan may be headed for a slump in domestic investment. Yet the necessary price fall, which the developers are resisting, will bring with it many bankruptcies.

The banks still all have majority state ownership, so there would be no question of collapse. With inflation under 4 percent, an increase in inflation to provide a soft landing is tolerable. As for the economy as a whole, its export orientation — and weakening currency — provide alternatives not available in Japan, where a rising yen added to the deflationary impact of the bursting of the bubble.

If private investment slumps, the government could speed up its own, recently curtailed infrastructure investment. For now, the faster money growth being engineered by Taiwan's central bank has brought stock prices back above the 6,000 mark from 4,000 a year ago. But critics suggest that it is merely helping to push cash-strapped developers and banks with poor asset quality into shallower water farther from the shore.

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The Washington Post.

## Resolved, No Bomb For Kim

By Anthony Lewis

WASHINGTON — If Kim Il Sung has heard about Western criticism of Clinton foreign policy as wavering and thinks he can bluff or threaten the United States out of firm action against his nuclear weapons program, he is making a mistake.

On this issue the administration's watchword is resolution. So I believe after conversations here, I do not sense the tentativeness that has marked the search for effective policies in Bosnia and Haiti.

The American national security interest in the Korean nuclear question is overpoweringly clear. If five or 10 years from now North Korea were making numbers of nuclear weapons and selling them, with missile systems, to Iraq or Iran or other rogue regimes, it would be a different world — an intolerably more dangerous one.

For three years, under Presidents George Bush and Bill Clinton, the United States tried to deal with the problem by diplomacy. The North Koreans responded by bobbing and weaving, indicating at times that they would allow full inspection of their nuclear facilities if the United States opened "diplomatic relations," then abruptly barring international inspectors from the site that would have shown whether they had diverted nuclear fuel to bomb-making.

Now the Clinton administration is moving to economic sanctions. Over this past weekend American officials agreed on a sanctions package with two crucial partners, Japan and South Korea. The Japanese government was either less reluctant than the United States brought it around.

The plan is for sanctions to be applied in phases, becoming increasingly severe if North Korea remains intransigent. For example, a ban on North Koreans in Japan sending money home — they send as much as \$1 billion a year — might not be imposed until the second phase. But the entire package has been agreed and does not have to be negotiated with Japan or South Korea.

The specific sanctions on sanctions in China, North Korea's neighbor and supplier of the one import on which it is most dependent, oil. The Chinese government has been critical of sanctions. But there are also signs that it is worried about the instability caused by the nuclear policy of its longtime ally in Pyongyang.

Will sanctions work? No one can be sure that they will persuade Kim Il Sung to back down on his nuclear weapons program. North Korea is largely self-sufficient, and its family dictatorship can ignore public opinion. But the country's economy is in terrible shape, and sanctions will at a minimum increase the pain.

It will in any event take much determination for the United States and its friends to see the policy through. North Korea will undoubtedly float new negotiating ideas, as it has already started to do. Real results will not come instantly.

What are the results that the Clinton policy seeks? First, and most important, to prevent diversion of nuclear fuel to weapons in the future — by opening the critical processes to inspection. Second, to find out, as best inspection will, what happened in the past, so that the world does not seem to be winking at past violations of North Korea's obligations under the Nonproliferation Treaty.

Some observers are critical of the phased sanctions plan as too slow, too weak. But on this problem steadiness is more important than speed. For there can be no quick fix. Talk of a preemptive strike on North Korea's nuclear facilities ignores the reality that such a strike could spread nuclear fallout over much of Asia. And North Korea would surely respond by attacking the South — with weapons at its disposal, just 50 kilometers from the border. The allies would win the war, but at a heavy cost in casualties.

The best way to show firmness is to beef up the U.S. military force in South Korea, now 37,000 strong. The Clinton administration has sent Patriot missiles and taken other undisclosed measures requested by the commanding general, Gary Luck. I think it should take the demonstration further: step of sending out more additional force units. The Kim government, after all, has said it would regard sanctions as an act of war. Sanctions must be accompanied by a strengthened deterrent.

President Clinton has not yet given his final approval to the plan for pressure on Pyongyang. When he does, he should explain the stakes and his measures to the public.

The New York Times.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1894: Korean Crisis

PARIS — Africa is not the only continent which causes anxiety to the Powers of Europe. Asia is contributing its share. For the latest news received from Korea is anything but satisfactory. A fresh rising has taken place in the country, but it is not yet known whether or not it is specially directed against foreigners. Should such prove to be the case, not only Japan and China, but Russia may interfere. Another Eastern question would then be raised: an event which would be most undesirable.

### 1919: Coat of Paris Life

PARIS — Prospects of a reduction in the high cost of living in Paris are discouragingly remote. There is, on the contrary, every indication of a further increase in prices. Measurably, owing to defective handling and the negligence of the transportation authorities, quantities of good food are allowed to rot daily. At La Villette

market, consignments of chilled meat totalling 150,000 kilograms (or 150 tons) recently arrived in such a "rotten" condition that even speculating wholesale buyers refused to make any bid for it.

1944: Germans Hit Back WITH THE AMERICAN 4TH DIVISION NEAR MONTBOURG. (From our New York edition.) The Germans fought their way back into Montebourg and Carentan this morning (June 13), and the infantrymen of the old 4th Division, which helped write history in France in the last war, are battling them in the streets. It is man to man at Montebourg, with deadly fighting from house to house. So closely are the German armor men locked that the artillery has ceased fire. The planes are flying low overhead, under heavy clouds and a drizzling rain, but all they can do is look for German armored reinforcements on the death-strewn roads outside town.

## International Herald Tribune

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S.A. au capital de 1,200,000 F. RCS Nanterre B 712021126. Commission Paritaire No. 61137  
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# The Essence Of de Kooning

**W**ASHINGTON — De Kooning at his best is the stormiest of masters. His brush strokes hook and sweep. His figures fly. His colors are so bright they become a rolling sea, shouldering a horizon. There's always been a rolling turbulence about him. Nothing in his art moves in one way. Figurative, abstract, avant-garde yet old-fashioned, it owes as much to jazz and the crackle of Manhattan as it does to his countrymen Vincent van Gogh and Frans Hals. De Kooning has just turned 90. Holland-born and trained, that giant of the New York School is the only abstract painter in the world who has done more to loosen and expand the mass mind's art.

"William de Kooning: Paintings," which opened this week at the National Gallery of Art, does something unexpected: It allows the artist's frenzied pictures free rein, yet puts them into balance. This show hurls itself upon you like some curling, crushing wave — yet even as it does so it makes de Kooning's oceanic art absolutely clear. It's not a vast exhibit. With 76 pictures, it's about a third the size of the de Kooning retrospective 10 years ago at the Whitney in New York, but it's nowhere near as scattered. Nor is it as mixed as the Hirshhorn's recent survey, that record of a friendship between painter and collector that opened last October just across the Mall. This show aims for grandeur. Its curators sought the painter's finest works, and for the most part got them. Rightly they excluded his big galumphing brownish-yellow late-1960s abstractions and the scribbles he produced with his left hand while staring at the TV. Like most impressing chance-takers, de Kooning often missed. He seldom does so here.

The show scans his long career, or at least its high points, and locks them into order with such crispness and finality you can almost hear the click. It opens with his portraits from the last years of the '30s, those greenish haunted studio scenes so indebted to Picasso and to his friend John Graham. It closes — or, more accurately, sort of fades away — with his airy and untroubled whitish open canvases of 1986.

"Willem de Koonings: Paintings" will travel to New York's Metropolitan Museum of Art and then to the Tate in London after it closes here Sept. 5.

But Christie's had no such luck when it came to real duds. A spooky portrait of a woman sewing, loosely painted by Picasso in 1906, hardly justified a \$1.5 million to \$2 million estimate. The gouache on board crashed unsold at \$1.1 million. A Fernand Léger of would-be Surrealist inspiration fundamentally in-

*A phenomenal \$11,662,500 was paid for Gustav Klimt's portrait of a woman done shortly before his death in 1918.*

One of the would-be star pictures was Monet's Venetian view of Santa Maria della Salute seen beyond the Grand Canal, broadly (some would say coarsely) done in 1908. This flopped at \$5.7 million. So did Brancusi's "Bird," an abstract marble carving, at \$6 million, that carried an estimate of \$7 million to \$9 million (given on request). Offered around New York in previous

Some urgent soul-searching about estimates, reserves and the rules that should keep competition between the Big Two within limits, is required. Otherwise, a replay of the 1990 crisis might be witnessed.

Whereas Burns's influence on others many sorts of influence on others, Wills believes a "leader does not just vaguely affect others." "He or she takes others toward the object of their joint quest," he writes. "That object defines the kind of leadership at issue. Different types of leaders should be distinguished more by their goals than by the personality of the leader (the most common practice)." Leadership of one sort, he adds, does not necessarily translate into

To make matters worse, this methodology also makes for short, disjointed chapters that quickly devolve into little more than cameo

*Michiko Kakutani is on the staff of The New York Times.*

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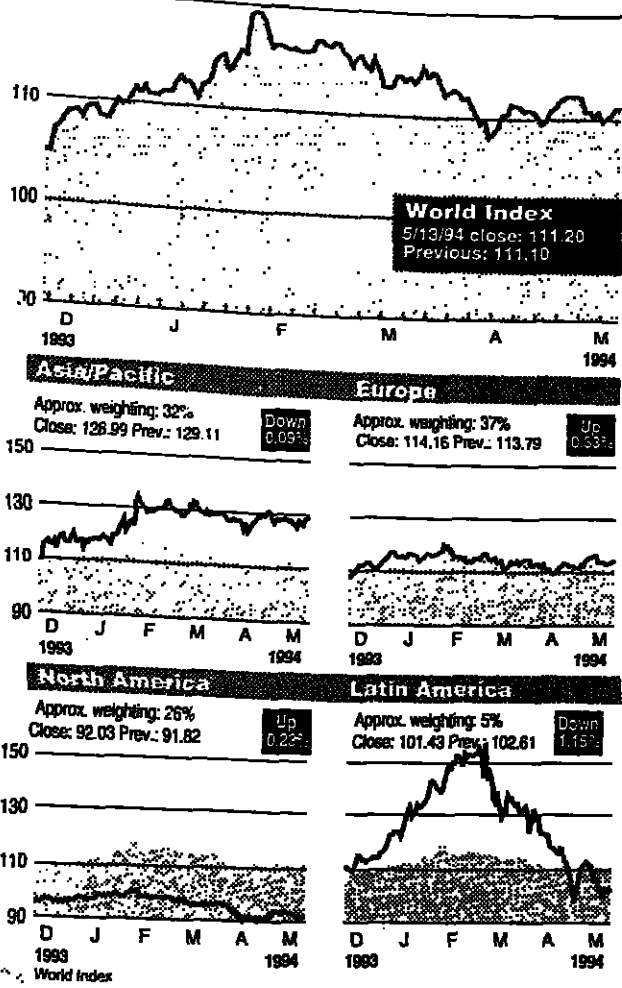






## THE TRIB INDEX: 111.20

280 internationally investible stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The most active U.S. dollar values of stocks in Tokyo, New York, London, and Amsterdam, Australia, Hong Kong, Sydney, Melbourne, New Zealand, Singapore, Spain, Sweden, Switzerland, and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

Industrial Sectors	1st. close	Prev. close	% change
Energy	112.22	112.11	+0.10
Utilities	116.47	116.81	-0.29
Finance	116.76	116.90	-0.12
Services	115.44	114.99	+0.39

For more information about the index, a booklet is available free of charge. Write to Trib Index, 101 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

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## U.S. Prices Edge Up In April

### Health Costs Rise But Energy Falls

Compiled by Our Staff From Dispatches

WASHINGTON — Consumer prices edged up 0.1 percent in April as a big drop in energy and moderation in food costs helped offset the biggest rise in medical costs in almost a year, the government reported Friday.

The Labor Department said the modest April advance in its consumer price index was the best showing since January, when there was no change. Consumer prices had been up 0.3 percent in both February and March.

Medical-care costs shot up by 0.6 percent in April, the biggest advance since a 0.7 percent rise in May 1993, with drugs, medical supplies and care posting big gains.

With the overall price moderation in April, consumer inflation for the year has risen at an annual rate of 2.3 percent, compared with the 2.7 percent gain last year.

The yield on 30-year bonds, which had hit an 18-month high of 7.63 percent earlier in the week, retreated Friday on the good inflation report, falling to 7.50 percent in late trading.

The government said the 0.1 percent rise in consumer prices last month reflected the fact that energy prices were down 0.4 percent. The turnaround came from a big drop in home heating oil costs, which were down 1.9 percent.

Food prices rose a slight 0.1 percent in April as a sharp 2.3 percent drop in fruit and vegetable prices helped to offset price increases in several other food categories.

In another report, the government said Friday that business inventories dipped 0.2 percent in March, the first decline in three months.

U.S. consumer attitudes on the economy were mixed in early May, compared with April, according to analysts familiar with a survey released Friday by the University of Michigan.

The survey's consumer sentiment index fell to 91.5 in early May from 92.6 in April. (AP, Knight-Ridder)

## A New (Middle) Age Spin

### European Firms Woo Aging Boomers

By Patrick Oster

Washington Post Service

BRUSSELS — Wednesday used to be the slowest day of the week for B & Q, Britain's leading do-it-yourself retailer. But B & Q has started offering 10 percent discounts on Wednesdays to customers who are at least 60 years old, and now it is one of the chain's busiest days.

Across Western Europe, a small vanguard of market-savvy companies is preparing for the aging of its customers. In the next 25 years, the number of Europeans 50 or older will mushroom from 120 million to 165 million as Europe's postwar baby boom generation ages.

"We're not talking a niche," said Danielle Barr, director of Third Age Marketing, a London company that advises marketing to consumers over 50. "They'll be the mainstream."

With money in their pockets, leisure time on their hands, declining physical abilities and long life expectancies, members of this generation will dominate market tastes as they come to constitute half the adult population. Companies hoping to lure them will be forced to advertise, design and package goods and services differently.

U.S. companies have been responding to the graying market for years. But until recently, European companies have done little. Marketing opportunities for the over-50 group in Europe were not as clear because of the lack of a unified market until the 12-nation European Union created one last year.

Even now, European companies are scrambling to catch up with European subsidiaries of U.S. parents, which are aggressively applying American practices. Many still are learning to market products on a pan-European level to any age group.

European companies "need a good shaking," said Frankie Cadwell of Cadwell Davis & Partners, New York consultants who cut their teeth on aging U.S. baby boomers and are now doing the same in Europe, backed by the London advertising giant Saatchi & Saatchi Co. "But once a few people do it successfully and make a lot of money, others will follow," he added.

At B & Q, the Wednesday discount offer has been so successful that the company now wants 15 percent of its 15,000-employee workforce to be 50 or older. B & Q's ads, which once stressed youth, now feature older workers.

But Mr. Cadwell said that age labels must be resisted. "Think attitudes, not age," he said.

The French vacation company Club Méditerranée SA reserved its resort in Marrakech, Morocco, for 156 tourists over the age of 50 last fall. "It's hardly the 'sun, sea, sex and sand' image people associate Club Med with," said Stefan Geissler, 59, who recently retired as the company's deputy director of development.

Manufacturers are planning how to deal with the failing eyesight, hearing and reflexes of older customers. Stefano Marzano, chief designer for Philips Electronics NV of the Netherlands, said his company was making such concerns a bigger part of its product design.

"Improvements will benefit all customers," he said, "but disproportionately they should help older consumers."

Glare-free color liquid-crystal displays, for instance, will make it easier for everyone to read computer screens. But older consumers, more affected by glare, will benefit most.

Companies with youth-oriented brands face marketing obstacles. Levi Strauss & Co.'s European strategy has been to pitch its form-fitting jeans to the under-19 set.

Any attempt to broaden the brand's age appeal would undermine its current strength, said Peter Jacob, president of the international division. Instead, Levi Strauss recently introduced its loose-cut Dockers line in Europe.

## France Vows To Stop British Flights to Orly

Compiled by Our Staff From Dispatches

PARIS — France is determined to prevent British airlines from carrying out plans to fly into Orly airport next week. Transport Ministry sources said Friday.

British Airways, Air UK and TAT airlines said they would ignore France's refusal to allow them to use the international airport south of Paris and would begin service between London and Orly on Monday, as permitted by a European Commission ruling.

But the French sources said that without an accepted flight plan, no pilot could take off without violating international regulations and endangering his passengers' lives.

A spokesman for the Transport Ministry would say only that "all possible cases have been contemplated and studied."

A ministry spokesman, Severine Lebre, said on Friday that French officials were talking to British officials to try to prevent the flights.

She said France was seeking to delay the flights for a few weeks because of congestion at the airport and wanted reciprocal access for French airlines to London's Heathrow airport.

"The principle of open skies is not in question," she said. "France is opening its skies to competition. It just asks for a few more weeks, perhaps till mid-June."

The British airlines, backed by their government, are insisting that

they are entitled to start flights to Orly next week in accordance with a European Union order that France open three domestic routes to competition: Orly-London, Orly-Toulouse and Orly-Marseille. British Airways said it would start its London-Orly service on Monday. The British government is backing the airlines.

In London, a Civil Aviation Authority spokesman noted that the easiest way for France to prevent BA and other airlines from serving Orly was to reject flight plans, which pilots must submit an hour before takeoff.

But a BA spokesman maintained that "there will be no problem" nor any reason for flight plans to be rejected. The first scheduled flight to Orly is due to leave Heathrow at 6:50 A.M. Monday.

French Transport Ministry sources said Friday that the French government did not question "the principle of opening the Orly-London route to British companies as soon as possible."

But they said it was normal for the government to reject a "fait accompli" by the airlines.

Foreign competition through Orly is also seen as a threat to Air France, the French national carrier, and its domestic subsidiary, Air Inter.

The routes through Orly are coveted by foreign companies because domestic French flights leave from the airport. (AFP, Reuters)

## GATT Chief to China: Year-End Entry Not Likely

Agence France-Presse

BEIJING — Peter Sutherland, director-general of GATT, all but ruled out on Friday the possibility of China rejoining the world trade body by the end of the year, calling Beijing's timetable "extremely demanding."

China has stated its aim to be included at the inception of the World Trade Organization, which is scheduled to replace the General

Agreement on Tariffs and Trade on Jan. 1, 1995.

"It is still going to be extremely difficult, with the best will in the world, to achieve that time frame," Mr. Sutherland said at a joint press conference with China's Vice Foreign Trade Minister Gu Yongliang.

China, a founding member of GATT, left the postwar organization after the Communist party came to power in 1949. Beijing has made it clear that it attaches great

political significance to readmission before the new year.

Mr. Sutherland said he had seen signs of "genuine will and flexibility" from the Chinese during his visit, but added that doubts remained over the transparency of China's foreign-trade regime, especially its policies governing import quotas, licenses and standards.

"I do not wish to minimize the amount of additional discussion that has to be undertaken," he said.

Mr. Sutherland's remarks contrasted with Mr. Gu's assertion that China had already made large efforts to comply with GATT requests for import tariff and other reductions, as well as for increased transparency.

Mr. Gu, the chief Chinese negotiator at GATT, also accused some countries of creating "political obstacles" to China's re-entry and of making "excessive" demands.

As China is not yet a developed

nation, Mr. Gu said, "it should undertake obligations commensurate with the status of a developing country."

■ **China Mulls Export Limits**

China has indicated its readiness to consider possible voluntary export restraints to curb the explosive growth in its textile exports to Japan, government sources were quoted as saying Friday in an Agence France-Presse dispatch from Tokyo.

## ECONOMIC SCENE

## Dollar Off, Growth Up — Go Figure

### Weak Isn't Always Bad Inflation Is Unlikely

By John M. Berry

Washington Post Service

WASHINGTON — When the value of a nation's currency is falling on foreign exchange markets, there is a tendency, almost regardless of circumstances, to view the decline as not wrong — political problems, poor economic policies, high inflation — then the nation's currency would not be weakening, would it?

Much of the discussion about the dollar's recent weakness against the Deutsche mark and yen has been along those lines, with the U.S. administration's tough talk about Japanese trade barriers. President Bill Clinton's troubles over Whitewater and the pace at which the Federal Reserve Board has raised short-term interest rates in the face of strong economic growth all being cited.

But sometimes the shoe is really on the other foot. A rising currency can signal that something is wrong rather than right. For example, former President Ronald Reagan once proudly pointed to a skyrocketing dollar as a sign of U.S. strength, though in reality it was more a signal of huge federal budget deficits that were pushing up interest rates

and sucking up foreign capital. This led to much larger U.S. trade deficits as American exports were priced out of foreign markets.

The dollar's current weakness may be more a sign of problems in Japan than of problems in the United States. It has followed a significantly different course against the yen than against the mark. The dollar has gone up and down against the mark in recent years. Against the yen it has fallen more or less steadily.

Why the difference? Part of the answer is inflation. Japan has had consistently lower inflation rates than either Germany or the United States. All other things being equal, currency values normally change to reflect inflation differentials among countries.

Another large part of the answer, which is particularly relevant to this year's fluctuations, is the flow of foreign capital into and out of each country. To summarize: The evidence suggests that because of the weakness of their domestic economy, Japanese companies are selling dollar-denominated assets, pushing up the value of the yen.

Several years ago, Japanese investors were eager to put money

in U.S. Treasury bonds.

NEW YORK — The economy is perking right along, but growth is still modest by the benchmark of other recoveries. A handful of commodity prices are inching up, but there is no evidence that self-sustaining inflation driven by wages is in the works.

The president is a Democrat, but on the critical issues of taxation, spending and regulation he is acting more like a deficit-fearing conservative.

Why, then, have the bond markets reacted so perversely to what the Federal Reserve Board labeled a long range pre-emptive strike against inflation? Why have the big central banks had to repeatedly intervene to stabilize the dollar against the mark and yen, just when the interest-rate advantage to holding assets in dollars is rising?

Some would point to President Bill Clinton's flat-footed policies toward Japan and China, which have unsettled major trade relationships. Some fear that the Democrats will revert to free-spending form, once they come to their liberal senses.

But a more plausible explanation for the markets' jumpiness is offered by James Tobin, the Nobel laureate in economics who advised President John F. Kennedy. "The markets are fighting the last war," he contended, behaving as if the inflation of 1979 is just around the corner.

In the view of some very respectable economists, Washington has already gone too far. The Fed's initial moves to raise short-term interest rates in February, Mr. Tobin insisted, were at best premature and, arguably, based on spurious evidence of inflation in the making.

Commodity prices always edge up during economic recoveries, he pointed out, just as they go down during recessions. What would have been worrying (and is nowhere in sight) was a sign that wages were rising in response to the increased demand for labor, creating the conditions for cost-push inflation.

While it is true that the tighter the labor market, the greater the risk of bottlenecks that would generate cost pressures, Mr. Tobin insisted that "Alan Greenspan doesn't know where this 'natural rate' of unemployment is, any more than I do."

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## CURRENCY & INTEREST RATES

May 13										Eurocurrency Deposits										May 13	
Cross Rates										Eurocurrency Deposits										May 13	
	\$	£	D.M.	F.F.	S.F.	L.F.	D.F.	Yen	Ci	Pesce		Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU			
	1.025	2.008	1.225	0.335	0.172			B.F. 646	S.F. 1.210	1.281	1.359										
Amsterdam				0.297	0.145			4.688	1.777	1.954	1.215	1.285									
Brexit				0.294	0.142			4.682	1.772	1.948	1.212	1.282									
Frankfurt				0.296	0.147			4.690	1.779	1.956	1.216	1.286									
London (n)	1.024	2.010		0.296	0.147			4.690	1.779	1.956	1.216	1.286									
Madrid	1.025	1.995		0.297	0.148			4.691	1.780	1.957	1.217	1.287									
New York (N)	1.025	1.995		0.297	0.148			4.691	1.780	1.957	1.217	1.287									
Paris	1.025	1.995		0.297	0.148			4.691	1.780	1.957	1.217	1.287									
Tokyo	1.025	1.995		0.297	0.148			4.691	1.780	1.957	1.217	1.287									
Zurich	1.025	1.995		0.297	0.148			4.691	1.780	1.957	1.217	1.287									
ECU	1.025	1.995		0.297	0.148			4.691	1.780	1.957	1.217	1.287									
Source: Reuters, Lyons Bank.																					
Rates applicable to interbank deposits of \$1 million minimum (or equivalent).																					
Money Rates										Money Rates											
											</										



## MARKET DIARY

## Blue Chips Gain In Mixed Market

Compiled by Our Staff From Dispatches  
NEW YORK — Blue-chip stocks ended the day with a modest gain as caution overcame a sharper rally linked to rising bonds. The overall market was mixed.

The Dow Jones industrial average rose 6.84, to close at 3,659.68, but

with the yield sliding to 7.49 percent from its Thursday close of 7.56 percent.

Citicorp was the most-active New York Stock Exchange issue and ended the day at 36 1/4, up 1/4. Its chairman sold 25 percent of his holdings in the bank.

EMC Corp. followed, falling 1/4 to 15 1/4. The company was one of the computer networking concerns that fell with Cisco, which fell 3/4 to 23 1/4. Cisco told analysts its order backlog has declined and that revenue from one quarter to the next may grow at about 8 percent rather than the historic 12 percent to 15 percent.

Philip Morris was No. 3 on the New York Stock Exchange, gaining 1/4 to close at 52 1/4. Speculation is rife that the tobacco and food company may agree to a May 25 bond meeting to separate its businesses, which could boost the company's value to about \$70 a share, analysts say. "I'm rooting for a split-up of the company," said Rebecca Barfield, an analyst at CS First Boston Corp.

Microsoft's stock was added to the Standard & Poor's 500 Index Friday, meaning that investment funds which pick stocks based on the makeup of the index will buy the shares. The stock touched an all-time high of 98 1/4, before falling back to close at 97 1/4, up 1/4.

Time Warner gained 1/4 to 38 1/4 on a published report that it would be a takeover target of QVC.

(Bloomberg, Knight-Ridder)

## Trade Talks Progress Gives Dollar a Boost

Compiled by Our Staff From Dispatches  
NEW YORK — The dollar rose to a one-month high against the yen on Friday in New York amid signs that trade talks between the United States and Japan could resume soon.

A modest rally in the bond mar-

ket and speculation that the Federal Reserve Board will raise U.S. interest rates next week helped the dollar gain against the Deutsche mark and other currencies.

The dollar ended at 105.035 yen, up from 104.225 at the close on Thursday, at 1.6705 Deutsche marks, up from 1.6683, at 1.4261 Swiss francs, up from 1.4243, and at 5.7592 French francs, up from 5.7155.

The British pound ended at \$1.4990, down from \$1.4998.

Trade Representative Mickey Kantor's office said Friday that Mr. Kantor and Foreign Minister Koji Kakizawa of Japan agreed during a phone call to try to resume

formal trade talks, which broke off in February.

Many traders bought dollars after the Kantor statement, speculating that the U.S. administration had stopped calling for a strong yen to curb Japanese exports and preferred to negotiate an end to Japanese trade barriers.

"Kantor's announcement gave the market a clearer idea of the Clinton administration's plans for trade with Japan," said Jack Stapleton, senior corporate foreign-exchange dealer at Standard Chartered Bank.

"Optimism about trade helped the dollar against the yen today," said Lisa Finstrom, currency analyst at Smith Barney Shearson. But she said the dollar would not sustain gains against the yen unless the Japanese economy rebounds.

"If you have a weak economy, it doesn't matter how many trade barriers you lower. The Japanese need to buy things from us before the dollar can really rise,"

(Bloomberg, Knight-Ridder, Reuters)

Via Associated Press May 13

## The Dow

Daily closings of the Dow Jones industrial average

400

3000

2000

1000

0

N D J F M A M

1993

1994

11T

Industrials

Transportation

Utilities

Finance

NYSE Most Active

Vol. High Low Last Chg.

Citicorp 47401 37 1/4 36 1/4 36 1/4 +1/4

Philip Morris 24222 52 1/4 51 1/4 52 1/4 +1/4

Microsoft 23122 98 1/4 97 1/4 98 1/4 +1/4

Time Warner 22122 38 1/4 37 1/4 38 1/4 +1/4

Cisco 21122 23 1/4 22 1/4 23 1/4 +1/4

EMC 20122 15 1/4 14 1/4 15 1/4 +1/4

Standard &amp; Poor's 500 Index

Vol. High Low Last Chg.

S&amp;P 500 23122 38 1/4 37 1/4 38 1/4 +1/4

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EMC 20122 15 1/4 14 1/4 15 1/4 +1/4

## Dow Jones Averages

Open High Low Last Chg.

Industrials 3659.68 3665.03 3637.37 3679.68 +6.84

Transportation 1750.94 1757.29 1738.29 1779.79 +1.52

Utilities 1202.77 1217.71 1202.77 1207.52 -1.42

Finance 1202.77 1217.71 1202.77 1207.52 -1.42

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NYSE Most Active

Vol. High Low Last Chg.

Citicorp 47401 37 1/4 36 1/4 36 1/4 +1/4

Philip Morris 24222 52 1/4 51 1/4 52 1/4 +1/4

Microsoft 23122 98 1/4 97 1/4 98 1/4 +1/4

Time Warner 22122 38 1/4 37 1/4 38 1/4 +1/4

Cisco 21122 23 1/4 22 1/4 23 1/4 +1/4

EMC 20122 15 1/4 14 1/4 15 1/4 +1/4

Standard &amp; Poor's 500 Index

Vol. High Low Last Chg.

S&amp;P 500 23122 38 1/4 37 1/4 38 1/4 +1/4

NYSE Most Active

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Standard &amp; Poor's 500 Index

Vol. High Low Last Chg.

S&amp;P 500 23122 38 1/4 37 1/4 38 1/4 +1/4

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Microsoft 23122 98 1/4 97 1/4 98 1/4 +1/4

Time Warner 22122 38 1/4 37 1/4 38 1/4 +1/4

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## Loss in Quarter Sends Unilever Stock Tumbling

Bloomberg Business News

AMSTERDAM — Unilever Group's first-quarter operating profit slipped 5 percent, to \$281 million (\$422 million), sending its shares tumbling on the London and Amsterdam stock markets.

The British-Dutch consumer products conglomerate reported a first-quarter net profit of \$294 million, which was unchanged from the same period last year.

Those earnings were inflated, however, by a \$13 million gain from asset sales, most of which accrued from the sale of its 55 percent stake in the Swedish brewer Falcon AB.

### Alitalia Sets Union Talks

Reuters

MILAN — The unprofitable state carrier Alitalia Airlines said its unions would begin negotiations next week on plans for major layoffs and cost cuts to save the company, officials said Friday.

The managing director, Roberto Schisano, has been quoted in the press as warning that the troubled airline can survive for only 500 more days without the rescue plan. It calls for a 30-percent reduction in the labor force over three years.

Company executives said formal talks on the plan would begin on Tuesday. Alitalia's losses soared to \$43 billion (\$215 million) last year.

## Unfulfilled Promise in Bulgaria

### Political Chaos Brings Economic Reform to a Standstill

By John Pomfret

Washington Post Service

SOFIA — Almost five years after the collapse of communism catapulted this Soviet satellite nation onto an independent course, Bulgaria finds itself caught in a spiral of crisis and decline, the early promises of democracy and a free-market economy unfulfilled.

Economic reform has ground to a halt. Since the government launched its privatization program three years ago, only one medium-sized company has been sold, a sugar-processing plant in the Black Sea port of Burgas. The political arena is rife with chaos. The fractious Parliament has not passed a piece of important legislation in more than a year.

"At least we're not Yugoslavs," said Lina Ivanova, the owner of a debt-ridden health club, quoting a popular saying here referring to the war in Bosnia-Herzegovina.

Last month, the country's president, Zhelev Zhelev, demanded the government resign, accusing it of failing to push economic reforms. Mr. Zhelev is the head of state.

In an interview, Mr. Zhelev spoke of the need for "a firm hand" that was "bordering on dictatorship in the economic area."

"This is the only alternative," said the 59-year-old philosopher, who was expelled from the Communist Party in the 1980s for urging

reform. "We've learned the hard way."

The troubles of this nation of 9 million people provide a lesson to other countries in the former Soviet bloc that are moving toward a market economy.

In many ways, Bulgaria's hard times can be blamed on the failure or unwillingness of its two post-Communist governments to maintain an effective coalition that supports reform and is capable of defeating opposition from former Communist bosses and the once-powerful security apparatus.

On a broader level, the impasse in Bulgaria highlights a debate occurring throughout Eastern Europe, even in its more successful capitals. One side backs stability and reconciliation with former Communists; the other believes the collapse of communism and the Soviet bloc was not the end, but the beginning of a revolution. The aborting of that revolution, the latter group argues, is a main source of Bulgaria's problems.

By far the biggest beneficiaries of Bulgaria's failure to push economic reform have been the people threatened by the changes: former Communists and members of the security services. A triangle of interests — entrepreneurs with Communist pasts, managers of state-run factories and bureaucrats in still-powerful ministries — has emerged to block change. Exploiting business and political connections

in some cases stretch around the world, many of these people have become fabulously rich running private trading companies that buy from and sell to Bulgaria's state-run factories, creating a bizarre economic subsystem in which production is state-run but profits are private.

One company, Multigroup, for example, has a commodities trading firm in Switzerland, a casino in Paraguay and a Virginia-based company believed to be involved in trading coal and investing in the United States.

Another company, Rosin, exports an average of 24 million bottles of Bulgarian wine a year to Britain and is that country's top supplier of red wine.

Essentially, private trading companies control everything sold to the factories and market their production too. Such enterprises can be lucrative through kickbacks or manipulation of antiquated accounting methods. The private trading companies can make windfall profits selling raw materials at market prices, buying finished goods at low prices and then selling them at a profit.

As the state-run enterprises slip deeply into debt, the private trading companies reap huge profits. Because Bulgaria's political system is too weak to tolerate factory closures and high unemployment, the state readily provides the factories with loans to stay in business.

## GEC Buys Ferranti's Defense Businesses

Compiled by Our Staff From Dispatches

LONDON — General Electric Co. of Britain has purchased Ferranti International PLC's British defense-systems business, paving the way for the sale of Ferranti's other businesses, Ferranti's receiver announced Friday.

No price was disclosed, but published estimates put it at about \$50 million (\$75 million).

Ferranti has been in receivership since GEC withdrew a penny-share offer to buy the entire company on Dec. 1. Arthur Andersen,

Ferranti's receiver, said the sale would make it easier to sell other Ferranti units, including its satellite communications business.

"Now that the future of the defense businesses is secure we have completed a large part of the jig-saw," said John Talbot, an Arthur Andersen partner.

GEC will incorporate the two defense businesses — Ferranti Defense Systems Integration and Ferranti Simulation & Training — into its GEC-Marconi Ltd. The 1,100 workers in Ferranti's defense busi-

nesses will be employed by Marconi.

Separately, the British Ministry of Defense is backing GEC to buy Ferranti's 50 percent stake in a sonar joint venture with Thomson-CSF of France. The ministry wants to prevent nuclear-submarine technology from falling under the control of a foreign company. That business is not in receivership.

Arthur Andersen said it probably would not negotiate the sale of Ferranti's component-manufacturing plant until all the other businesses are sold. The factory makes

printed circuit boards, avionics for military aircraft and other defense equipment.

Ferranti Defense Systems Integration is based at Bracknell, Newport, Pagnell and Portsmouth.

Ferranti Group started sliding into bankruptcy four years ago with the discovery of a large-scale fraud involving fake contracts at its U.S. subsidiary, International Signal & Control, bought in 1987.

(Bloomberg, AFP)

## Investors Warm to Metallgesellschaft Changes

Compiled by Our Staff From Dispatches

FRANKFURT — Metallgesellschaft AG's stock jumped 17 percent Friday on optimism over the company's restructuring plan and a bank's recommendation of the shares.

The German metals and mining conglomerate reportedly plans to cut 7,500 jobs in an attempt to save 4 billion Deutsche marks (\$2 billion), with most of the benefit coming this year.

The company's staff magazine, MG Information, said savings in personnel costs would be about 550 million DM. Among other savings

expected are purchasing-cost reductions of 500 million DM, 1 billion of asset disposals and general cost reductions of 500 million DM. The company also plans to save 600 million DM by reducing supplies, 600 million DM by debt reduction, 160 million DM by reducing investments and 100 million in real estate sales.

In Frankfurt trading, Metallgesellschaft's stock rose 42 DM to 243 DM per share.

"There's a lot of interest in seeing the share higher ahead of a likely capital increase," a

London dealer said. "In addition, we had talk of a recommendation from UBS."

An analyst at Union Bank of Switzerland in London confirmed the bank had recommended MG, which was rescued from near collapse earlier this year by its creditor banks. He refused to cite specific details.

Metallgesellschaft was driven to the brink of bankruptcy late last year when its U.S. subsidiary Metallgesellschaft Corp. was forced to abandon oil positions in the futures market at a cost of 2.5 billion DM. (AFX, Reuters)

## SCENE: The Falling Dollar

Continued from Page 9

abroad and they did, buying U.S. Treasury securities and other bonds, stocks and real estate. Japanese concerns also spent billions buying American companies and building new factories in the United States.

That outflow of capital — which required the Japanese to sell yen to get the dollars to invest in the United States — helped hold down the yen's value despite Japan's persistent trade surpluses.

But the Japanese economy began to run into trouble when the Bank of Japan raised interest rates to prick a bubble economy in which Japanese stock and real estate values soared. As the bubble burst, much of that voluntary capital outflow dried up. At that point, the value of the yen began to appreciate in earnest.

Stephen Axilrod, deputy chairman of Nikko Securities International in New York, said the yen-dollar relationship "depends to a great extent on whether the investors in Japan continue to invest abroad." He added, "About a year or so ago, the Japanese institutional investors lost their nerve and stopped investing abroad and at home and fled for cover."

They have fled with a vengeance this year, according to Carl B. Weinberg of High Frequency Economics, a New York consulting firm.

"It seems that during March investors in Japan were net sellers of foreign bonds by \$13.1 billion," Mr. Weinberg said. Meanwhile,

foreign investors were buying, net, \$11.7 billion worth of Japanese stocks, for a total portfolio capital flow into Japan that month of \$2.4 billion.

That came on the heels of a \$17.9 billion inflow in February and \$10.7 billion in January, each of which was at the time the highest level of capital inflow ever recorded.

Mr. Weinberg said there is anecdotal evidence that a large part of the foreign money flowing into Japanese stocks is actually coming from foreign subsidiaries of Japanese companies.

"Japan's investors are withdrawing funds from foreign markets at a record pace to cover liquidity needs at home," Mr. Weinberg concluded.

In the first three months of this year, Japan had a \$34.5 billion surplus in its current account, which includes trade, tourism and some other international transactions. That meant that the Japanese were accumulating that much more in foreign currencies than they were paying out. That tended to make the yen relatively scarce and put upward pressure on its value.

At the same time, Japanese investors were bringing home their money, which meant they were selling their investments in dollars and other currencies in exchange for yen. And those transactions also pushed the yen upward.

"If you have a huge surplus and your investors are not going to recycle it, then your currency is going to go up," Mr. Axilrod said.

## INFLATE: Growth Still Modest

Continued from Page 9

at Harvard who advised President Jimmy Carter, shared Mr. Tobin's skepticism about the Fed's stance. The pervasive sense that foreign manufacturers are ready and eager to take a chunk of America's markets, he noted, makes employers more resistant to wage demands and workers less militant than in past recoveries.

Just how much the slack product markets in Europe and Japan and the fierce competition from low-wage Mexicans, Brazilians and Chinese have reduced labor's moxie is a matter of conjecture.

The opinion that the Fed has overshot is also reportedly held by some members of the administration. But their voices have been muted, perhaps because there is little expectation that tight credit will actually choke off growth.

Mr. Cooper of Harvard wondered, though, whether the sanguine assumption that all the Fed has really done is to stretch out the recovery is correct. Some forecasts, he pointed out, suggest that a "growth recession" — a period of positive growth but at a rate insufficient to absorb new entrants into the labor force — will set in before the 1996 election.

To be sure, the majority view among economists is still that both the timing and the size of the Fed's increases in interest rates were prudent.

"The main point is that the economy isn't very far from full employment," said Benjamin Friedman of Harvard University. But whether

the Fed's initiative was good policy or overkill, it remains a puzzle why the bond and currency markets have been behaving as if double-digit inflation is just around the corner.

Robert Gordon, an economist at Northwestern University, said the problem is largely one of presentation rather than policy. "Short-term rates always go up in this stage of the business cycle," he said. "What's new is that the Fed is talking about it."

The Fed's idea, presumably, was to get the maximum anti-inflation bang from the minimum tightening of credit from its new show of openness. But the psychological spin apparently was reversed, with the markets assuming that the Fed's break with precedent was evidence that the financial genome were concealing the really bad news.

Still to be seen is how the tempest over bond rates and the dollar will play out in economic growth and employment.

It will not change the government's behavior, Mr. Gordon argued, since the Fed has already gone about as far as it will go on interest rates and the White House is bound to a passive fiscal policy by the deficit reduction law.

Mr. Tobin is not so quietly worried, though, that what he sees as the Fed's bumbling foray against a remote threat of inflation will do great damage to businesses that need cheap capital to grow.

"The markets just aren't sophisticated about economics," he lamented.

## NYSE

Friday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

12 Month	High	Low	Open	Close	Change
IBM	120.00	118.00	119.00	119.00	0.00
Microsoft	100.00	98.00	99.00	99.00	0.00
Apple	80.00	78.00	79.00	79.00	0.00
Oracle	60.00	58.00	59.00	59.00	0.00
Sun	50.00	48.00	49.00	49.00	0.00
HP	40.00	38.00	39.00	39.00	0.00
Motorola	30.00	28.00	29.00	29.00	0.00
Intel	20.00	18.00	19.00	19.00	0.00
Northern Telecom	10.00	9.00	9.00	9.00	0.00
WorldCom	8.00	7.00	7.00	7.00	0.00
Verizon	6.00	5.00	5.00	5.00	0.00
Sprint	4.00	3.00	3.00	3.00	0.00
AT&T	2.00	1.00	1.00	1.00	0.00
Qwest	1.00	0.50	0.50	0.50	0.00
Southwest	0.50	0.25	0.25	0.25	0.00
Delta	0.25	0.10	0.10	0.10	0.00
American	0.10	0.05	0.05	0.05	0.00
United	0.05	0.02	0.02	0.02	0.00
Southwest	0.02	0.01	0.01	0.01	0.00
Delta	0.01	0.00	0.00	0.00	0.00
American	0.00	0.00	0.00	0.00	0.00
United	0.00	0.00	0.00	0.00	0.00
Southwest	0.00	0.00	0.00	0.00	0.00
Delta	0.00	0.00	0.00	0.00	0.00
American	0.00	0.00	0.00	0.00	0.00
United	0.00	0.00	0.00	0.00	0.00
Southwest	0.00	0.00	0.00	0.00	0.00
Delta	0.00	0.00	0.00	0.00	0.00
American	0.00	0.00	0.00	0.00	0.00
United	0.00	0.00	0.00	0.00	0.00
Southwest	0.00	0.00	0.00	0.00	0.00
Delta	0.00	0.00	0.00	0.00	0.00
American	0.00	0.00	0.00	0.00	0.00
United	0.00	0.00	0.00	0.00	0.00
Southwest	0.00	0.00	0.00	0.00	0.00
Delta	0.00	0.00	0.00	0.00	0.00
American	0.00	0.00	0.00	0.00	0.00
United	0.00	0.00	0.00	0.00	0.00
Southwest	0.00	0.00	0.00	0.00	0.00
Delta	0.00	0.00	0.00	0.00	0.00
American	0.00	0.00	0.00	0.00	0.00
United	0.00	0.00	0.00	0.00	0.00
Southwest	0.00	0.00	0.00	0.00	0.00
Delta	0.00	0.00	0.00	0.00	0.00
American	0.00	0.00	0.00	0.00	0.00
United	0.00	0.00	0.00	0.00	0.00
Southwest	0.00	0.00	0.00	0.00	0.00
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American	0.00	0.00	0.00	0.00	0.00
United	0.00	0.00	0.00	0.00	0.00
Southwest	0.00	0.00	0.00	0.00	0.00
Delta	0.00	0.00	0.00	0.00	0.00
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United	0.00	0.00	0.00	0.00	0.00
Southwest	0.00	0.00	0.00	0.00	0.00
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Southwest	0.00	0.00	0.00	0.00	0.00
Delta	0.00	0.00	0.00	0.00	0.00
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Southwest	0.00	0.00	0.00	0.00	0.00
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United	0.00	0.00	0.00	0.00	0.00
Southwest	0.00	0.00	0.00	0.00	0.00
Delta	0.00	0.00	0.00	0.00	0.00
American	0.00	0.00	0.00	0.00	0.00
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Southwest	0.00	0.00	0.00	0.00	0.00
Delta	0.00	0.00	0.00	0.00	0.00
American	0.00	0.00	0.00	0.00	0.00
United	0.00	0.00	0.00	0.00	0.00
Southwest	0.00	0.00	0.00	0.00	0.00
Delta	0.00	0.00	0.00	0.00	0.00
American	0.00	0.00	0.00	0.00	0.00
United	0.00	0.00	0.00	0.00	0.00
Southwest	0.00	0.00	0.00	0.00	0.00
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Southwest	0.00	0.00	0.00	0.00	0.00
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American	0.00	0.00	0.00	0.00	0.00
United	0.00	0.00	0.00	0.00	0.00
Southwest	0.00	0.00	0.		



**Friday's 4 p.m.**  
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

T-A-V		W-C-V-Z	
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15	100	44	27
16	100	44	27
17	100	44	27
18	100	44	27
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# AMEX

**Friday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect the trades elsewhere. Via The Associated Press

1974		1973		1972		1971		1970		1969		1968		1967		1966		1965		1964		1963		1962		1961		1960		1959		1958		1957		1956		1955		1954		1953		1952		1951		1950		1949		1948		1947		1946		1945		1944		1943		1942		1941		1940		1939		1938		1937		1936		1935		1934		1933		1932		1931		1930		1929		1928		1927		1926		1925		1924		1923		1922		1921		1920		1919		1918		1917		1916		1915		1914		1913		1912		1911		1910		1909		1908		1907		1906		1905		1904		1903		1902		1901		1900		1899		1898		1897		1896		1895		1894		1893		1892		1891		1890		1889		1888		1887		1886		1885		1884		1883		1882		1881		1880		1879		1878		1877		1876		1875		1874		1873		1872		1871		1870		1869		1868		1867		1866		1865		1864		1863		1862		1861		1860		1859		1858		1857		1856		1855		1854		1853		1852		1851		1850		1849		1848		1847		1846		1845		1844		1843		1842		1841		1840		1839		1838		1837		1836		1835		1834		1833		1832		1831		1830		1829		1828		1827		1826		1825		1824		1823		1822		1821		1820		1819		1818		1817		1816		1815		1814		1813		1812		1811		1810		1809		1808		1807		1806		1805		1804		1803		1802		1801		1800		1799		1798		1797		1796		1795		1794		1793		1792		1791		1790		1789		1788		1787		1786		1785		1784		1783		1782		1781		1780		1779		1778		1777		1776		1775		1774		1773		1772		1771		1770		1769		1768		1767		1766		1765		1764		1763		1762		1761		1760		1759		1758		1757		1756		1755		1754		1753		1752		1751		1750		1749		1748		1747		1746		1745		1744		1743		1742		1741		1740		1739		1738		1737		1736		1735		1734		1733		1732		1731		1730		1729		1728		1727		1726		1725		1724		1723		1722		1721		1720		1719		1718		1717		1716		1715		1714		1713		1712		1711		1710		1709		1708		1707		1706		1705		1704		1703		1702		1701		1700		1699		1698		1697		1696		1695		1694		1693		1692		1691		1690		1689		1688		1687		1686		1685		1684		1683		1682		1681		1680		1679		1678		1677		1676		1675		1674		1673		1672		1671		1670		1669		1668		1667		1666		1665		1664		1663		1662		1661	
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# India Opens Phone Busin- To Private Firms

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Saturday-Sunday,  
May 14-15, 1994  
Page 14

THE  
REPORT

**FIRST COLUMN**

**Advice: It's  
What You  
Pay For**

**B**EARING in mind that even the best-informed and most single-minded people frequently need good advice, the question has to be asked: What is it? What, for example, is the difference between comment and advice? Everyone thinks they can distinguish easily enough between them, but this sometimes proves to be surprisingly difficult.

The first test is a semantic one. Advice recommends a course of action. Comment, tending toward statement as opposed to imperative, is much more neutral.

Financially, there is another useful test. Advice is that which is paid for, whether you take it or not. The lawyer or accountant who offers advice which is not taken will happily send out the bill and, quite rightly, sue if it is not paid. There are even those in the advising professions who are never happier than when their professional advice is not taken. First, they still get to send the bill. Second, they can't be sued if the client, having followed his own instincts, finds himself in a mess.

Yet this test too has its exceptions. Unfortunately there is a brand of adviser who does not get paid if his advice is not taken. Imagine sitting opposite a private banker — the most august and respectable of advisers — who says at the end of a two-hour discussion that your finances are in excellent shape, that he couldn't honestly recommend a better home for your assets than the spread of deposit accounts, bonds, equity and derivative funds in which you have them now. The banker's advice is to go home and sleep soundly.

**D**ON'T wait for this to happen in the real world. Because even at the top end of the "advice" market, what you're getting is a sales and counseling service. If you don't buy, the adviser doesn't eat.

Clearly, an accountancy-style fee system would be desirable. But the financial world works by selling products, and a fee system is at best a remote possibility. Meanwhile, when taking "advice," find out what the adviser is making on the deal. Now that's good advice.

M.B.

**For Do-It-Yourself Investors, Find the Discount Broker for You**

By Barbara Wall

**K**ITCHEN table stock pickers have, for a variety of reasons, chosen to dispense with the services of portfolio managers in favor of independent action.

If you fancy pitting your wits against professional stock selectors you will still need to enlist the services of a stockbroker to execute buy and sell orders on your behalf. Boutique-style advisory firms will probably not be interested in your money if the transactions are for small amounts and dealing is infrequent. A popular alternative is an execution-only share trading service, as offered by the likes of Fidelity U.K., and Charles Schwab, another American investment-management company with offices in London.

An execution-only stockbroker carries out the trade and does the associated administrative work, but, technically, he does not give advice. Accounts in which one can execute not only equity trading, but also deal in unit trusts, mutual funds, and corporate and government bonds provide the most flexibility to investors who want a diversified portfolio.

Not all of the brokers surveyed offer such a wide investment choice, and many restrict deals to the U.S. and British markets. Schwab, for example, is only prepared to deal in U.S.-listed securities and U.S. mutual funds, while U.K.-based Sharelink restricts its trading to equity trading, though it does provide access to European markets. Fidelity offers a more comprehensive service, dealing in equities, unit trusts and mutual funds in more than 17 markets worldwide.

You may be tempted to opt for a service with low commission charges on sales and purchases, but this can be a false economy. The way a deal is carried out may also influence the overall transaction costs. As most of Europe's largest stocks are listed on all the principle exchanges, the broker has the choice of buying at the center of greatest liquidity — often the company's home base, or buying shares listed on his local exchange. It is not always easy to tell if you are getting a good price.

Justin Urquhart Stewart, director of business planning for Barclaysbank U.K., said, "The U.K. market trades more overseas stocks than any other European market, and the price is usually better than that quoted on the exchange in the company's home base."

**Intermediaries**

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International money transfer  
Dealing on-line at home

Page 17  
Multifunds as a medium  
Mid-market intermediaries  
Low-cost private banking

If the broker is prepared to do some groundwork you may save money on the deal. Some companies have a wide spread in their share price. If the broker goes to the market makers in that company's shares he may be able to negotiate a better price than if he dealt at the trading screen spread price.

The charges levied by execution-only brokers are generally higher for foreign transactions. Sharelink charges a minimum supplement of \$108 for European deals, and Fidelity's commission rates for European transactions can work out to be twice as expensive as for British or American trades.

You may be better off approaching a broker in the target market. Mansion House in Hong Kong charges 0.25 percent of the value of transactions made in Hong Kong, or a minimum of \$38, substantially less than the rate offered by other discount houses for trades in Hong Kong.

Of course, setting up accounts with different brokers in a variety of countries may not be practical. Keeping track of all your investments is bound to prove time-consuming, and there may be other charges to take into account, such as custodial fees. If you are paying custodial fees to more than one broker, the overall costs will probably offset any savings made on the commission rates. There is a lot to be said for holding all your investments in one account.

While most execution-only brokers deal exclusively in equities there may be occasions when you require access to collective investment vehicles.

"Lately, there has been a lot of interest in European privatization issues," said Mr. Urquhart Stewart. "If you are based in the U.K., and you want to buy shares in a recently privatized French or Spanish company, the transaction costs can prove very expensive if you are dealing direct. For deals below \$7,500 investors would probably be better off opting for a unit trust or investment trust which specializes in these investments."

**Trading at a Discount**

Execution-only share trading services in the U.K.

Company	Minimum commission	Minimum deal	Commission on \$5000	Commission on \$10,000	Custodial service	Home of operation
Barclaysbank*	\$30 U.K. trades \$66 non-U.K. trades	no	\$67.50 U.K. trades \$87.50 non-U.K.	\$85 U.K. trades \$125 non-U.K.	yes (1)	U.K.
Fidelity**	\$38	no	\$60 U.K. trades \$65.50 U.S. trades \$187	\$105 U.K. trades \$75.50 U.S. trades \$209	yes (2)	U.K.
Charles Schwab (4)***	\$38	no	\$69 U.S. trades	\$110 U.S. trades	—	U.S.
Sharelink	\$19	no	\$52.5 U.K. trades	\$85.50 U.K. trades	yes	U.K.
Sharelink	\$30 U.K. trades \$38 non-U.K. trades	no	\$68 U.K. trades \$75 U.S. trades For EU trades, minimum supplement of \$105	\$87 U.K. trades \$142.50 U.S. trades	no	U.S. & U.K.
Mansion House (Hong Kong)	\$26	no	0.25% commission on Hong Kong trades 4% on non-Hong Kong trades	—	—	Hong Kong

Footnotes: (1) £2(\$3) per holding. Min. \$75 per quarter. (2) No cost for holding U.K./U.S. stocks, \$150 per year for holding European/Australia, Hong Kong, South Africa, U.S. (4) 10% discount on commission charged if client deals through telephone service.

Barclaysbank\*: offers access to unit trusts, gilts and mutual funds. Mutual fund commission scales in the bank's all for one fund. Fidelity\*\*: Access to mutual funds and unit trusts. Offers discounts on day trading charges from 1% to 3% on deals above \$7500. Schwab\*\*\*: Offers discounts on mutual funds which carry front-end charges.

Source: Company reports

Similarly, for those who require exposure to the emerging markets — few execution-only brokerages offer access to these markets — an emerging-markets fund may be preferable to direct investment. Most execution-only brokers avoid dealing in unit trusts and other funds because they are messy and time-consuming.

A spokesman for Fidelity said: "There is always a time lag between placing the order and buying the units. To begin with, the broker has to get an indicative price for the units, clear this with the client and then go to the unit trust management group to find the next price at which to buy into the fund."

The way in which funds are priced is also confusing. With unit trusts, investors purchase units at the offer price and sell them back to the management group at the bid price. The difference between the two prices is called the bid/offer spread, which is usually around 5 to 6 percent.

The offer price is calculated by taking the lowest market dealing price for shares in the unit trust and adding dealing costs, stamp duty and undistributed income. The bid price is arrived at by taking the highest dealing price and then subtracting dealing costs and uninvested cash. There is also a cancellation price, which is the price at which some fund managers will buy back the

units if the investor changes his mind within 14 days.

The pricing of open-ended collective investment funds, such as SICAVs, is much easier to understand. There is basically a single pricing structure with no spreads. The funds are repriced every day and the prices move according to the value of underlying assets in the fund. On any given day the price at which you can buy into the fund or sell will be the same.

"The way in which a SICAV is priced is no more advantageous than, say, a unit trust," a Fidelity spokesman said. "However, open-ended collective investment vehicles are far more sensibly structured and the regulatory restrictions are less onerous for riskier investment undertakings such as the emerging markets."

Another point to be aware of is the distinction made between load and no-load funds. With a no-load fund there is no up-front charge, or fee when shares are acquired, but investors will probably have to pay a penalty when they move out of the fund — after all, brokers have to get their commissions somehow. All other funds carry a front-end charge that is incorporated into the purchase price.

Both pricing systems have advantages and disadvantages. "If investors opt for a no-

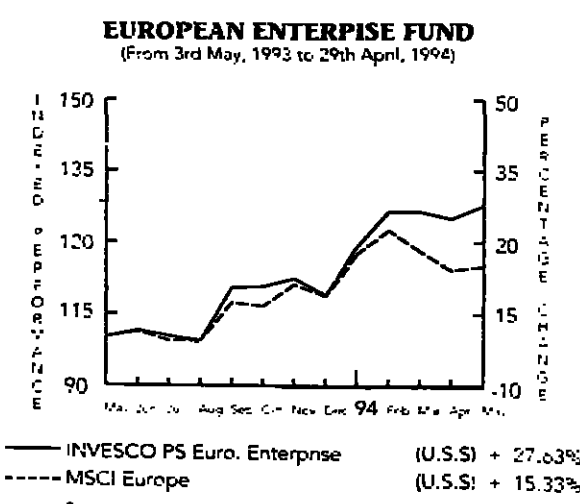
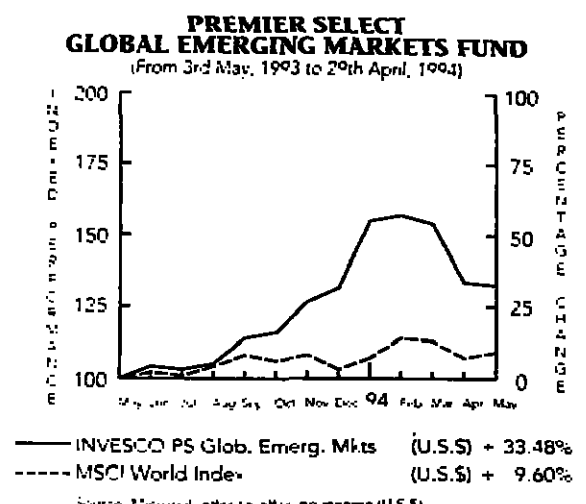
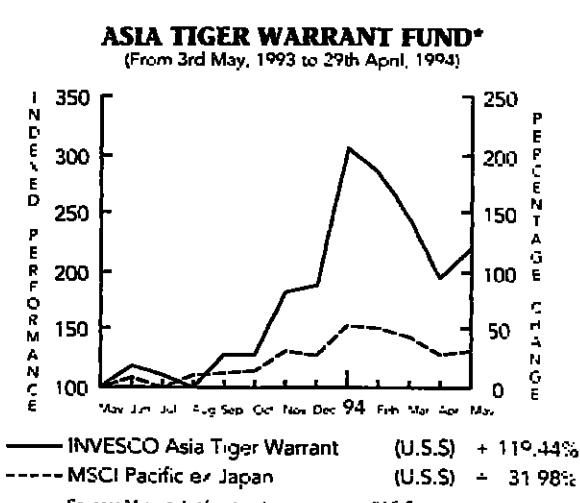
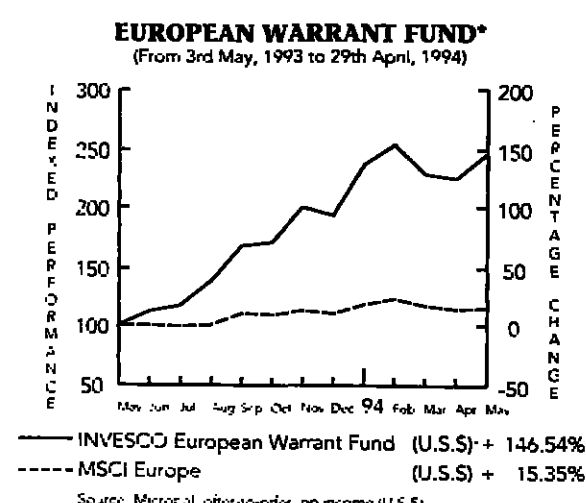
load fund they can choose exactly when they want to pay the commission and get the full fund. Moreover, for long-term investments there may be no charge levied," a Fidelity spokesman said, adding:

"On the other hand, by paying an up-front charge, investors know exactly what they are paying. For example, if the front-end charge is 1 percent, this is the maximum that investors will pay. With a no-load fund the value of the fund may have risen sharply by the time the investor decides to reinvest in holdings, and, if he has to pay 1 percent of the fund value as a 'get out' penalty, the ultimate cost to the investor will be substantially higher."

Finally, it is worth finding out if the broker offers discounts on fund purchases — this is only an advantage for funds that have a front-end charge. While Schwab offers discounts on U.S. mutual funds, a significant proportion of these funds do not have a front-end charge. Fidelity offers discounts on U.K. unit trusts, all of which carry a front-end charge. Its discounts start on purchases of £5,000 (\$7,500) and go up to as much as 3 percent of the initial charge.

The Money Report is edited by  
Martin Baker.

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## THE MONEY REPORT

## On Shopping Around for a Stockbroker

By Aline Sullivan

**F**INANCIAL advisers market themselves as expert navigators of the turbulent waters of international finance. For many private investors, their advice can prove invaluable. But investors sometimes discover to their cost that their chosen navigator has mislaid his compass.

Finding an intermediary worth his commission can prove tricky, particularly for an expatriate unfamiliar with the local investment scene. Word-of-mouth recommendations remain the most popular route, although investors acting on personal recommendations would be well advised to confirm their intermediary's credentials with the relevant regulatory body.

In the United States, the National Association of Securities Dealers operates a hot line to supply details of the disciplinary history of any brokerage firm or sales representative. Such information is harder to find in Europe, but bodies such as FIMBRA in Britain can at least attest that their members meet certain basic professional standards.

The first considerations in evaluating an adviser are the size and scope of the firm and the amount of control the investor is willing to entrust. Investors also need to decide how much risk they are ready to assume and be prepared to describe their overall investment aims.

Brokerages range from large firms with an international presence to modest partnerships. The smaller firms will make great play of their "personal service." Certainly they can be attractive both to first-time investors and to those disillusioned with the less personal service provided by firms that concentrate on corporate clients.

But investors should not fight shy of all the bigger brokerage firms simply on the fear that they will have no time for the small investor. They can provide the greatest range of financial services and often the most sophisticated advice. Many, due to the recession and a decline in corporate activity, are working hard to woo private clients.

In Britain, the London-based Association of Private Client In-

vestment Advisers and Stockbrokers, or APCIMS, publishes a directory of virtually all private client stockbrokers operating in the United Kingdom and in Britain's offshore territories. In the United States, a similar service is provided by the National Association of Securities Dealers in Washington.

Generally, investors control the investment decisions in their accounts unless they decide to assign discretionary authority to their brokerage firm. Discretionary authority, also known as portfolio management, enables the firm's sales representatives to make investment decisions without first consulting their clients about the price, the type of security, the amount or the timing of transactions.

The risks in selecting this method are obvious. The Nasdaq stock market authority in Washington warns private investors not to give discretionary authority to their brokerages without first seriously considering whether this is appropriate to their investment aims.

Many investors retain control over their investments by hiring execution-only stockbrokers or by

limiting their firm's power to advisory services in which the broker consults clients on the purchase, sale and retention of shares.

But, according to Duncan Ramsey, a private-client stockbroker at County NatWest in London, increasing numbers of investors assign their brokers discretionary authority because they don't have the time or the expertise to manage their own portfolios. "There is a lot of speculative dealing in the execution-only market," he said. "Most clients want a more long-term approach."

Reports of advisers who run off with their clients' funds are the stuff of nightmares. But these are rare. The biggest problem for investors is that the business of stockbrokers and other financial intermediaries tends to be driven by the commissions generated by trades. Clients may be advised to buy and sell frequently when their best option is to sit tight.

Nasdaq identifies "an excessive number of transactions in your account" as a key warning signal to investors that their broker is not acting in their best interests. Other warning signs include recommen-

dations based on "inside" or "confidential" information; so-called "guarantees" that clients will not lose money on a particular transaction; and a proposed sudden shift in clients' investments, either into higher risk securities or into a single product. Also, a recommendation to switch an investment in a mutual fund to a similar fund can signal trouble.

"Unless there is a legitimate investment purpose, a switch recommended by your sales representative may simply be an attempt to generate additional commissions," warned Nasdaq in a recent bulletin to private investors.

With so much at stake, investors understandably find selecting an adviser daunting. But Geoffrey Turner, chief executive officer of APCIMS, contends that stockbrokers are much more approachable than most investors realize.

"Shop around," advised Mr. Turner. "Stockbrokers are in the service business and investors are their customers. They are much more open than they used to be. Go and see them, describe your portfolio and ask them what they can do for you."

## April Market Scoreboard

## Best Performers

## Worst Performers

## New York Stock Exchange

Price	%
April 30 change	
Adams Group	8.50
Logan Corp.	31.25
Parsons Corp.	32.38
Amgen Inc.	66.00
Callaway Golf Co.	39.88
DSC Communications Corp.	60.00
Alcatel (Paris) Corp.	24.88
MSNA Corp.	25.00
Smith International	12.50
Pharmacia Corp.	31.25

## Frankfurt Stock Exchange

Price	%
April 30 change	
Eschmann	424.00
Eschmann	284.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00

## Paris Stock Exchange

Price	%
April 30 change	
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00

## London Stock Exchange

Price	%
April 30 change	
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00

## Tokyo Stock Exchange

Price	%
April 30 change	
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
Eschmann	318.00
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Eschmann	318.00

Compiled by Morgan Stanley Capital International

International Herald Tribune

## Cautious? Can't Make a Decision? Try a Multifund

By Conrad de Aenlle

**T**HE theory behind funds of funds is simple enough: You can never have too many managers. If individual fund managers can beat their own markets, then another astute professional might be able to figure out when the others will be at their best and worst and allocate money accordingly, thereby beating the market even more.

Nice idea, but it's been a tough sell. A number of competing trends in the fund business make it harder or easier — mostly harder — to convince investors that the extra layer of management will give them enough added value to make it worth the cost.

There has been an evolution in the financial services industry toward lower-cost operation. To customers who are getting used to the idea that it may not cost a fortune to make a fortune with a professional money manager, the idea of paying for that extra layer of management may go against the grain.

The trend that works in the favor of funds of funds is the increasing affinity for personal portfolio management, and it is the client who wants this kind of help that the fund companies are targeting. "A person comes to us and can't make the decision where asset allocation should be," said Greg Cremen, head of offshore funds for the Gartmore group.

Multifunds, as they are also known, are intended as a happy medium between a conventional fund and individual management. Gartmore offers a service in which customers state their preferred level of risk — there are four choices — and their money is put into an appropriate portfolio. All four invest in the same component funds, only with different allocations based on the risk level.

There is also a choice of domicile, with a 21-component fund in Luxembourg and a Jersey-based fund with 24 subfunds. The minimum investment is \$10,000 in Luxembourg and \$25,000 in Jersey. Clients choose the currency they want to concentrate in, too. The fee for the service is 0.75 percent of assets per year, plus the expenses of the individual subfunds.

Mr. Cremen said that investors in multifunds are cautious types, and that interest generally goes up when the markets are shaky. That's why business at Gartmore has been brisk lately.

"We're finding much more sales into the service" than into the un-

derlying subfunds, Mr. Cremen said. "People are nervous about the markets, especially after last year's bull run. They're less positive on where to put money."

"It's difficult for the average individual, even with [a fair amount of] money, to know whether to be in Hong Kong stocks or German bonds or wherever. You're paying for the vigilance, making sure your money is not so much where it should be, but that it's not where it should be."

To try to more closely match the service provided by personal portfolio managers, more managers are looking farther afield when they set up their funds of funds, choosing funds outside their own range.

"Most use their own funds," especially in the United States, said Bill McBride of Lipper Analytical Services. "In other markets, groups are set up almost acting as independent financial advisers. They just set up a fund to do it."

One of the biggest providers of multifunds is Global Asset Management, which runs \$3.4 billion in 29 funds of funds, each investing wholly outside the GAM family. The feeling is that clients can buy GAM's own funds directly, and that including them in a multifund would amount to an unjust double charging.

"It seems to us not the way to do things," remarked David Ginsberg, managing director of GAM's multifund group. "We're trying to get clients the broadest range of talent available, so we don't put the

sub-funds, getting value above and beyond underlying fund performance."

Adding that value has proven to be the main shortcoming of many multifunds and is the reason that this segment of the industry is not growing as fast as its providers would like.

"These days there aren't that many funds of funds, if you look at the assets," said Mr. McBride of Lipper. "Most funds of funds don't widely outperform or wildly underperform in general."

A compilation of results by Lipper shows that compared with global equity and global bond funds, a group of 48 offshore multifunds did about the same or a little worse than equity funds and somewhat better than bond funds.

One of the selling points of funds of funds is that they shine during declining markets. This dovetails with the cautious nature of their clientele. But the worst showing the multifunds turned in, Lipper found, was during the first three and a half months of this year, when just about every market on Earth stumbled. Global equity

funds, surprisingly, lost only 0.55 percent on average and bond funds fell 3.07 percent. The multifunds gave up 3.1 percent.

People who track the fund industry say that many obstacles will remain in trying to grow the multifund business and that it will always occupy a small niche.

"They're not very popular at this stage, primarily because people who run funds of funds haven't been able to find the performance when you add in the extra layer of fees," said John Rekenhauer, editor of Morningstar Mutual Funds.



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## Private Banks Go Slumming?

**N**EW technology and portfolio management methods, and more aggressive marketing, are allowing the moderately well-off to join the rich in taking advantage of the services offered by private banks. After holding for years above an unofficial threshold of \$1 million, the minimum account size has fallen at many banks to not much more than \$100,000.

With much of the administrative work in the investment business now done by computer, relationship managers — the people who deal directly with clients — can do their jobs more efficiently and handle more clients than before.

With the right technology, "a manager has the benefit of managing hundreds of accounts in virtually the same fashion," said an executive at a large investment bank with a Swiss private-banking subsidiary. "The manager can look at one number, say \$50 million, which is really 500 clients."

Taking it a step further, he said, "The technology allows us to break those investors down to individual holdings. You can determine to some extent what restrictions you want to impose — no tobacco or gambling stocks, for instance. You don't have the flexibility to do that in an ordinary fund."

It is through the purchase of ordinary funds that many private-banking relationships begin. Fund and brokerage companies are increasingly providing personal portfolio management, a cornerstone of

private banking. Other services are offered through banks that have ties to the fund managers or brokers. The proliferation of customized management has compelled traditional private banks, as well, to lower their minimum account sizes to stay competitive.

The Mercury fund group is one that offers a range of private-banking services for those who are well off, but not exactly rolling in dough. Clients meeting the \$250,000 minimum investment for individual asset management become eligible for banking services at S.G. Warburg, Mercury's corporate parent.

Account holders pay a 1 percent portfolio management fee, plus Warburg's usual charges for loans, wire transfers and other banking transactions.

The goal of the service, said David Rosier, chairman of Mercury Asset Management Private Investors, is to "try to turn a fund customer into a private-banking client" at the lower end of the range that defines "affluent."

Private banking has always been sold as an exclusive service, a nice way of saying it costs a lot. By seeking out customers of more modest means, banks find that they are able to grow their operations and price their services lower than in the past.

One of the lowest minimums is at Lloyds Private Banking, which was set up in the late 1980s to handle the large British clearing bank's private-client business. Pri-

ivate-banking accounts can be opened there with as little as \$75,000, or about \$120,000.

"It has given us the ability to achieve volume and scale quickly and has allowed us to spread our overhead," observed David Terry, director of marketing for the private bank. "If you limit it to \$1 million, you're going to have to charge them a fair bit."

— CONRAD DE AENLLE

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## SPORTS

## Yanks, Cooking At Home, Win 7th Straight

The Associated Press  
Ah, home, sweet home. Even in New York.

Bernie Williams hit a base-loaded single in the 10th inning Thursday as the New York Yankees won their seventh straight, 7-6, over the Cleveland Indians, losers of 9 of their last 10. All seven victories have come at Yankee Stadium.

The victory improved New York to a major-league best 23-10.

"I feel like we can't lose," said Luis Polonia, who had a pinch-hitter singled in the 10th for his 1,000th hit in the major leagues. "I feel like we're going out to win every game. I think everyone feels the same way. I don't think anyone can beat us right now."

Holding a 6-3 lead, the Yankees were one out away from putting the

game away in the ninth when the Indians rallied for three runs.

But in the 10th, Mike Stanley reached on a fielding error by Jim Thome at third base and moved to second on Polonia's single.

Steve Farr then relieved Eric Plunk and intentionally walked Mike Gallego to load the bases.

Williams, who entered the game in an 0-for-19 slump and is still

## AL ROUNDUP

batting just .198 after three hits, slapped a 2-2 pitch from Farr past a drawn-in Eddie Murray at first base to score Stanley.

The Indians committed four errors in losing their fifth straight game. The season, which began with a promising 12-7 start, has slowed to a crawl.

Tigers 6, Athletics 5: Travis Fryman broke a sixth-inning tie with a sacrifice fly, and Chris Gomez homered as Detroit, playing at home, handed Oakland its 20th loss in 22 games.

The A's stranded 11 runners and lost their fourth straight and eighth in nine games.

Red Sox 3, Brewers 1: Roger Clemens held visiting Milwaukee to two hits, striking out eight, before leaving after seven innings with an apparently minor leg problem. He lowered his ERA to 0.80 in his last six starts, covering 45 innings.

Ricky Bones matched Clemens for seven innings, but left after giving up four hits and with two runners on and one out in the eighth. Graeme Lloyd came on and allowed a two-run single to pinch-hitter Tim Lincecum that made it 3-0. Bones had entered the game with a major-league-leading ERA of 1.12.

## Pirates Give Phils Boost

The Associated Press  
Terrible now, the Philadelphia Phillies yearn to be average.

The defending National League champions, firmly in last place in the NL East with a 13-21 record, beat the visiting Pittsburgh Pirates, 6-4, Thursday night.

"It's something we can build off of," said Pete Incauiglia, who doubled twice and hit his fifth homer. He pointed to several reasons why the victory could boost the

## NL ROUNDUP

Phillies out of the cellar and back into contention.

One was that Tommy Greene, a 16-game winner last season, got his first victory this year. Greene, who began the season on the disabled list with a sore right shoulder, allowed 10 hits in six innings, walking three and striking out five. But he only allowed one run, and the Phillies had a four-run lead when he left.

"Our main concern and goal is to get back to .500," said Lenny Dykstra, who went 3-for-4 with an RBI. "Everyone in this room knows we haven't played the baseball we're capable of playing yet."

However, first baseman John Kruk was to undergo arthroscopic surgery on his right knee Friday and will miss the next three weeks.

Kruk, who missed the first six games of the season after having a cancerous testicle removed March 8, will have loose cartilage taken out of the area where the right hip bone joins the lower leg.

Cubs & Cardinals 6: Pinch-hitter Shawon Dunston broke a ninth-inning tie with a two-run homer as Chicago rallied from a four-run deficit in St. Louis.

The Cubs, after a 7-6, 11-inning loss Tuesday, began the game 1-20 when trailing after seven innings. Mark Parnell led off the ninth with a single, his third hit. Two batters later, Dunston homered on the first pitch from Rob Murphy.

## Like Old Days, Yanks Can Do No Wrong

By Jack Curry  
New York Times Service

NEW YORK — When a team is going well, runners score when they should be thrown out at the plate; players batting nearly .500 don't start, but pinch-hit late in the game and drive in key runs; batters get hits after they fail to sacrifice runners to second, and flying barrels of broken bats distract fielders and turn outs into base runners who score winning runs.

The Yankees are going well.

At the moment, they can do no wrong. At the moment, they can count on the opposing team to make plays that help them win, especially teams that are going poorly. The Cleveland Indians are going poorly.

The Indians' latest loss to the Yankees served as a classic example of the so-called breaks going the way of the winner and against the loser.

"That's exactly right," said Mike Hargrove, the luckless Indians' manager.



Paul O'Neill, batting an AL-leading .473, came on as a pinch hitter and belted a tie-breaking two-run double.

"If we hit a cutoff man, he's out at the plate," Hargrove said. "We don't miss the cutoff man very often. Kirby, playing left field instead of his usual position in right, said: 'On a short field like that, my arm is a lot stronger than 310 feet. If I miss the first guy, I'm looking to hit the second. I short-hopped Thome. There's nothing I can do about it.'"

Thome never made a play, and Gallego scored the tying run.

Exhibit B: With one out in the inning and runners at first and second, Buck Showalter had his choice of letting Jim Leyritz, the right-handed designated hitter, bat against the right-handed Jose Mesa, or have the left-handed Paul O'Neill bat. Showalter chose O'Neill, prompting Hargrove to bring in the left-handed Derek Lilliquist.

"Paulie is the hottest hitter we have," Showalter said. "If you have a chance for him to help you late in the game, you have to take advantage of it."

But why was O'Neill on the bench in the first place? Here was a man leading the league in batting average by .87 points (.473), in on-base percentage by .98 points (.573) and in slugging percentage by .144 points (.846). Why would a Showalter start him even though the Indians' starting pitcher, Chris Nabholz, was left-handed?

"It's hard not to play him," Showalter said, "but we have to keep other guys ready to play. If you let guys sit for three weeks, you can't say shame on them if they can't help you when you have an injury. You say shame on the manager."

Instead, Showalter had O'Neill available to bat for Leyritz, and, batting against Lilliquist, he slugged a fly ball over Kirby's head for a tie-breaking, two-run double.

Exhibit C: After the Indians staged their own rally in the ninth and tied at 6-6, Mike Stanley led off the Yankees' half of the 10th with a grounder to third. But he broke his bat on contact, and the barrel reached the ball to Thome. The ball won, but so did the Yankees.

"It was a routine ground ball," Hargrove said. "But how do you ignore the bat? It's not something you can work on. I'm not making excuses, but it's a little disconcerting to see a bat flying your way."

Thome said: "I tried to get out of the way, and the ball went under my glove. I didn't know where the bat was, but I knew it was coming that way."

Stanley reached first on the charged error. Exhibit D: Luis Polonia then batted for Gerald Williams and was supposed to sacrifice him to second. But he fouled off his first attempt and didn't make the second, taking a strike instead.

"I screwed up and didn't get the ball down," Polonia said. "I had to make up for it."

He lined a single to right, sending Stanley to third, from where he scored the winning run on Bernie Williams' single.

The Yankees, with help from the downtrodden, are making winning look easy. They just have to keep doing it for about five more months.

## SCOREBOARD

## Major League Standings

Team	W	L	Pct.	GB
New York	23	10	.697	0
Baltimore	21	10	.677	1
Boston	22	12	.646	1 1/2
Toronto	17	17	.500	6 1/2
Detroit	15	16	.484	7
Chicago	18	14	.563	5 1/2
Kansas City	16	15	.516	10
Minnesota	17	16	.515	10
Cleveland	14	17	.452	13
Seattle	13	18	.419	14 1/2
San Diego	9	25	.265	25 1/2

## Thursday's Line Scores

Team	W	L	Pct.	GB
Oakland	10	21	.323	10 1/2
Detroit	12	18	.400	7 1/2
Los Angeles	14	17	.452	2 1/2
Colorado	10	23	.303	7 1/2

## The Michael Jordan Watch

THURSDAY'S GAME: Jordan went 2-for-2 with two RBIs, including the game-winning hit in the ninth inning, as the Bulls defeated the Chicago Bulls, 95-88. Jordan's performance was a key factor in the Bulls' victory.

## Thursday's NBA Semifinals

Team	W	L	Pct.	GB
Indiana	10	16	.385	7 1/2
Atlanta	10	17	.370	8 1/2

## Thursday's NHL Semifinals

Team	W	L	Pct.	GB
San Jose	10	16	.385	7 1/2
Toronto	10	17	.370	8 1/2

## Italian Open

Men's Singles: Quarterfinals. Boris Becker (GER) defeated Michael Stich (GER) 6-3, 6-4, 6-3. Andre Agassi (USA) defeated Andre Gaudenzi (ITA) 6-3, 6-4, 6-3. Goran Ivanisevic (CRO) defeated Jacco Eltingh (NED) 6-3, 6-4, 6-3.

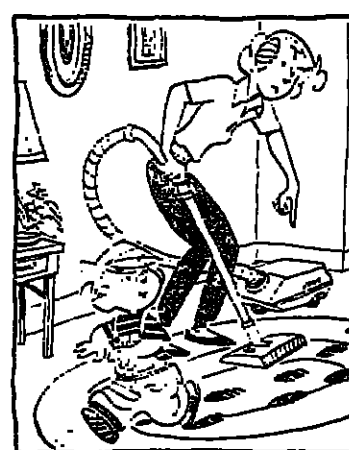
## German Open

Women's Singles: Quarterfinals. Anke Huber (GER) defeated Elena Motokova (RUS) 6-3, 6-4, 6-3. Stefanie Graf (GER) defeated Julie Halard (FRA) 6-3, 6-4, 6-3. Martina Hingis (SWE) defeated Arantxa Sanchez-Vicario (ESP) 6-3, 6-4, 6-3.

## Tour of Spain

Results from Friday's 19th stage, 175 kilometers (110 miles) from Avila to Segovia: 1. Marino Alonso, Spain, 4 hours 21 minutes 4 seconds; 2. Roberto Paganini, Italy, 4 hours 21 minutes 4 seconds; 3. Roberto Paganini, Italy, 4 hours 21 minutes 4 seconds; 4. Roberto Paganini, Italy, 4 hours 21 minutes 4 seconds.

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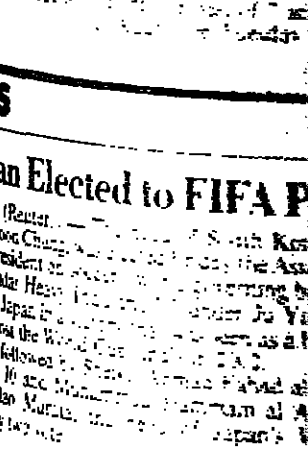
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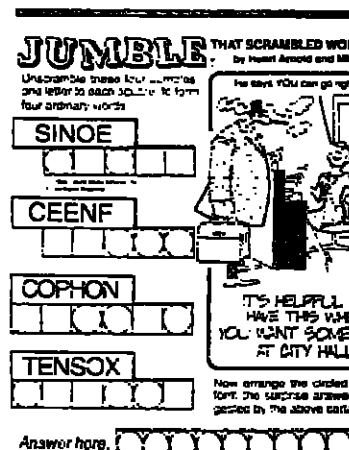
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## Dennis the Menace



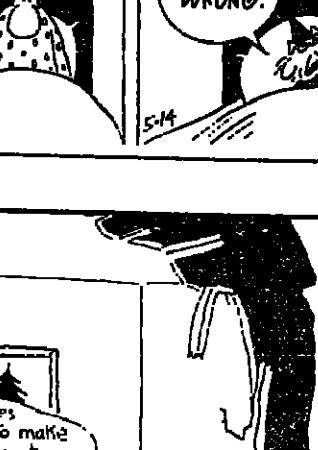
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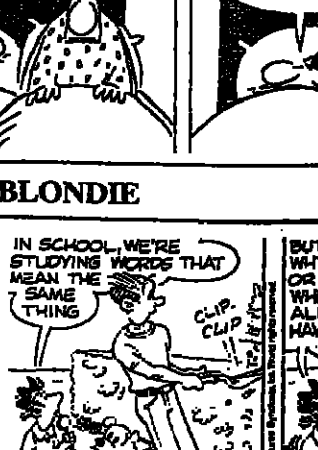
## Calvin and Hobbes



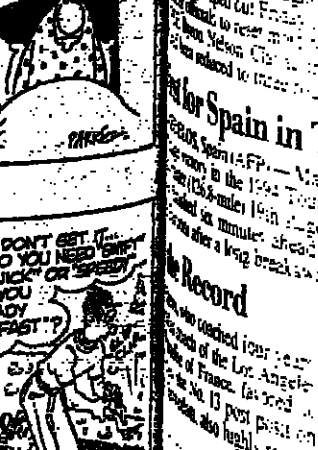
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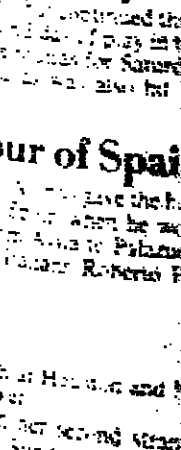
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## Blondie



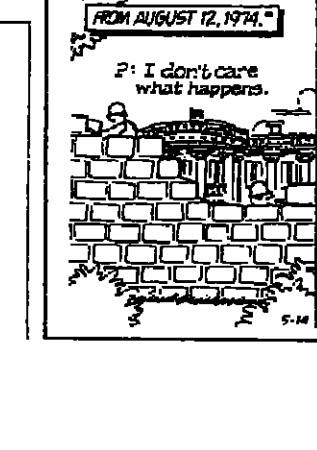
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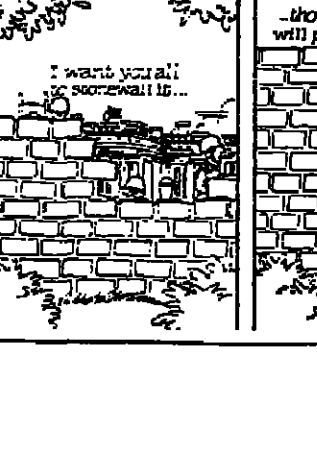
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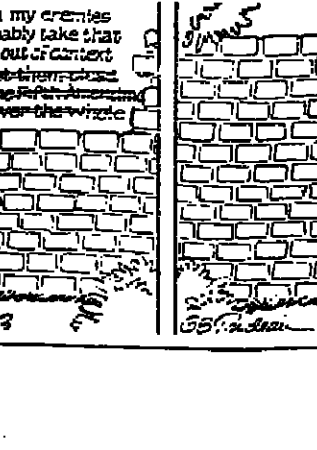
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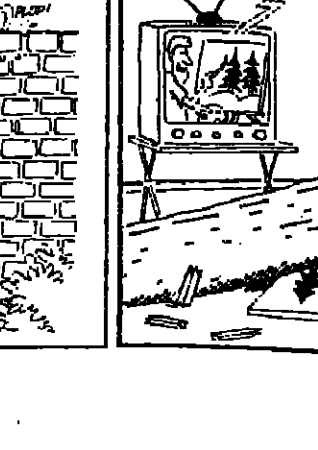
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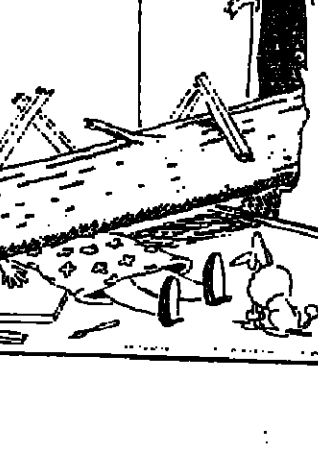
## Peanuts



## Calvin and Hobbes



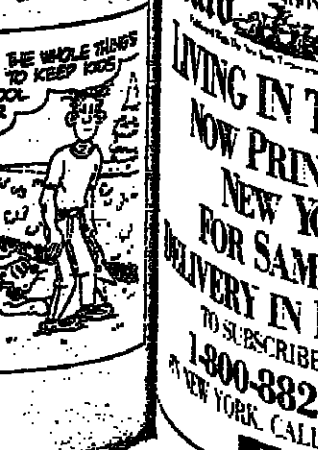
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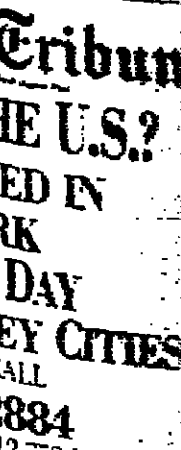
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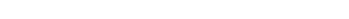
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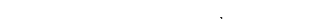
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## Jumble



## Garbage



## Dennis the Menace



## Peanuts



## Calvin and Hobbes



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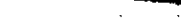
## The Far Side



## Blondie



## Doonesbury





## SPORTS

Senna Killed  
By Car Debris

The Associated Press

MONTE CARLO — Ayrton Senna was killed by a part of his car striking his head, according to the autopsy report.

"A part of the suspension of the car went through his helmet and caused the head injury from which he died," Max Mosley, president of FIA, said Friday.

Senna, 34, died May 1 after his Williams-Renault crashed into a concrete barrier at the Tamborello turn during the San Marino Grand Prix in Imola, Italy. The autopsy was performed in Bologna the next day.

Mosley said it was not yet known what caused Senna to crash at a speed of 310 kph (192 mph). Telemetry data has so far failed to discover a technical problem, while the car remains under the control of Italian authorities.

An on-board camera in Senna's car that could have provided vital clues was working at the time of crash, Mosley said, but its signal was not one of those being picked up by the monitoring helicopter.

## Sweeping Changes Are Imposed on Grand Prix Racing

## FIA Acts as Wendlinger Remains in Coma

Compiled by Our Staff From Dispatches

MONTE CARLO — With two drivers dead and a third in a coma, the International Automobile Federation decided Friday it was time to take drastic measures to make Grand Prix auto racing safer.

Overriding its agreement with the Formula One teams, FIA unilaterally imposed sweeping regulations designed to reduce speeds in a sport where cars are sometimes clocked at 360 kph (200 mph).

Some of the changes are to be put into effect for the Spanish Grand Prix on May 29.

"Anything that needs to be done — anything that we think usefully can be done — will be done," said FIA's president, Max Mosley. "We don't have any choice in the matter."

He announced the changes hours after most of the active Formula One drivers reorganized the long-moribund Grand Prix Drivers' Association and called for improved safety.

FIA has been under pressure to act since the deaths of three-time world champion Ayrton Senna of Brazil and Roland Ratzenberger of Austria in high-speed crashes during the San Marino Grand Prix on the weekend of April 30-May 1.

Then, on Thursday, the first day of competitive racing since Senna's death, Karl Wendlinger of Austria crashed as he was warming up for the opening qualifying session of the Monaco Grand Prix. He remained in a coma Friday at a hospital in Nice.

The new regulations apparently violate the Concordat Agreement, which stipulates that the Formula One teams and FIA must agree on any major changes.

The time has come, because of the gravity of the situation and the force of public opinion, to push aside such considerations and do what is right in the general interest of the sport," Mosley said. "What we want to put forward does not meet with everyone's approval."

He did not indicate which Formula One teams were likely to object to the new regulations, which will reduce downforce, increase minimum weight limits, improve protection for the driver in the cockpit.

Mosley said the technical changes that will be put in place for the Grand Prix in Barcelona will reduce the cars' downforce by about 15 percent, which will, in turn, cut speeds. These measures are: Reducing the size of the diffuser, an aerodynamic section of the exhaust escape at the rear of the car; reducing the size of the front wing end plates; and reducing the size of the front wing.

For the Canadian Grand Prix on June 12, lateral protection for the drivers' heads would be increased by enlarging the size of the cockpit sides, thus increasing the weight of the cars, and the use of commercial fuel will again be made mandatory instead of the so-called "jungle juice" fuel with additives. "We will invite each fuel supplier to nominate 100 gas stations and we will go and obtain the fuel from those stations," Mosley said. "In other words, we are going to buy fuel from the pump and give it to the teams."

Front suspensions must also be strengthened to prevent wheels from being easily detached during a crash. Senna's autopsy showed he was killed by part of his suspension striking his helmet.

Mosley also said that a number of aerodynamics-related technical regulations to further reduce speed, approved for 1995, will be introduced at the German Grand Prix in Hockenheim on July 31, the midway point of the 16-race season.

Cars will no longer be flat on the bottom, but will have a "step" built into them. This would cut their speed, particularly at corners, while adaptations to front and rear wings will have the same effect.

And starting next season, Mosley said, FIA wants the teams to reduce downforce by 50 percent, while engines will have to be reduced to 600 horsepower from the current maximum of about 800.

Other safety measures, such as the use of airbags and foam and driver restraints, were being studied, he said.

Drivers Gerhard Berger of Austria, Michael Schumacher of Germany and Christian Fittipaldi of Brazil, along with retired two-time world champion Niki Lauda, will head the drivers' association, which has been dormant since 1982.

"The GPDA requests representation and recognition within FIA to improve the safety of Formula One," Lauda said.

Mosley, who last week said Formula One drivers "aren't really interested in safety," welcomed the move and said, "I think it's very positive that the drivers should want to participate in the dialogue about circuit and car safety."

(AP, Reuters, AFP)



Heinz-Harald Frentzen (from left), Gerhard Berger, Johnny Herbert and Michael Schumacher leaving the drivers' meeting.

## As Stich Backs Out, Sampras Looks Ahead

By Ian Thomsen

International Herald Tribune

ROME — An intriguing domestic collision was avoided Friday when the No. 2 seed, Michael Stich, pulled out of his Italian Open quarterfinal with the suddenly clay-friendly Boris Becker. But that's mostly a German concern.

Of universal importance is the attempt later this month by the world's top-ranked player, Pete Sampras, to complete a consecutive Grand Slam — four in a row — on the clay of Roland Garros. After winning his quarterfinal Friday against the unseeded Italian, Andrea Gaudenzi, 6-3, 7-5, Sampras now is looking forward to a semifinal on Saturday against another unseeded European, Slava Dosedel of the Czech Republic.

Dosedel, ranked 51st in the world, ended the bid of Jim Courier to win the Italian Open for the third straight year. In their Friday quarterfinal, Dosedel took a first-set

drubbing, then turned around and whipped the No. 3 seed, 1-6, 6-3, 6-4. Also ended was Courier's string of 15 match victories at the Italian Open.

Sampras has been having trouble with his forehand this week. He has been guilty of attempting winners at the wrong time, admitting that on clay he lacks the court sense which he has earned on the fast surfaces. He controlled the first set against Gaudenzi, who at 17 was winning the 1990 U.S. Open juniors title just as the 19-year-old Sampras was winning the men's title.

The second set became more work for Sampras after Gaudenzi had recovered three break points to hold serve in the first game. Thereafter, Gaudenzi — bequeathed with the Center Court audience behind him — fought for everything, including every close line call.

Trailing by a break point, Sampras served three straight aces to hold serve in the fourth game, then waited until Gaudenzi was willing to be broken in his final service. These

are signs that Sampras's uncertainty on clay might be overwhelmed by his newfound tenacity, which came into bloom with his victory last summer at Wimbledon — where he beat Courier.

According to the No. 1, Courier's ability to reach that final grass would be limited to Sampras's advancing to the final at Roland Garros. So we are left with yet another example of tennis' misguided leadership — its inability to turn the Sampras-Courier rivalry into a Magic Johnson-Larry Bird sort of thing. That responsibility will probably be taken up by Courier's sponsor, Nike, which takes on Sampras this summer.

In the other half of the draw here, No. 4 Goran Ivanisevic beat Jacco Eltingh of the Netherlands, 7-6 (7-5), 6-3, to earn a semifinal against Becker, who should be rested.

Becker leads his rivalry with the younger Stich, 5-3, having won their last two meetings at Wimbledon and this year indoors at Stuttgart. The 25-year-old Stich called in

sick with an attack of lumbago, which in any office is greeted with suspicion.

"Pain is felt in lower lumbar region and in both legs with consequent loss of muscular strength," read the medical report of Stich's examination Friday morning. "Pain is felt when pressure is put bilaterally on the lumbar region. These are the only symptoms pertaining to the injury."

The German press was busily investigating another symptom not pertaining to the injury. Stich's wife, Jessica, was stopped for speeding at 2 A.M. Thursday and was accused of driving while under the alcohol limit. She was driving a courtesy car lent from the previous week's tournament in Hamburg. Jessica Stich is a celebrity at home for her role in a soap opera, in which she portrays a doctor.

Her husband's withdrawal was further clouded by reports that Stich's brother, Andreas, is to be married Saturday in a suburb of Hamburg.

Hawks Tie Series, 1-1, Holding  
Pacers to Record-Low 69 Points

The Associated Press

The key element, Lenny Wilkens preached when he took over as Atlanta's coach last June, was defense. And that's what the Hawks stressed in the second game of their Eastern Conference semifinal series against the Indiana Pacers.

The result was immediate and dramatic. Holding the Pacers to the fewest points in NBA playoff history, the Hawks got 20 points each from Danny Manning and Kevin Willis to win, 92-69, Thursday night and tie the series at 1-1.

"This was a huge turnaround for us after we were embarrassed the other night," Wilkens said of Atlanta's 96-85 loss in the series opener Tuesday night.

The Pacers' 69 points broke the league-low mark of 70, shared by Golden State against Los Angeles in 1973 and Seattle against Houston in 1982.

The loss snapped a 12-game winning streak that began for the Pacers

## NBA PLAYOFFS

ers with eight games left in the regular season games, continued through a three-game sweep of Orlando in the first round of the playoffs and then the series-opening defeat of Atlanta.

Games 3 and 4 will be played Saturday and Sunday at Indiana before the best-of-7 series returns to Atlanta on Tuesday night.

Atlanta surged to a 61-42 lead halfway through the third quarter, then withstood a run that closed the Pacers to 65-57 on Reggie Miller's 3-point shot with a second left in the period.

The Pacers, who shot 31.8 percent for the game, and only 29.4 percent in the final quarter, when they had seven of their 17 turnovers.

Mookie Blaylock added 11 points, 13 assists and 10 rebounds for the Hawks, the fourth triple double of his career.

Jazz 104, Nuggets 94: Karl Malone, defying Denver shot-blocker Dikembe Mutombo, scored 32 points as Utah, playing at home, took a 2-0 lead in its Western Conference semifinal.

Malone, who also had 12 rebounds, repeatedly took the 7-foot-2 Mutombo to the hoop, twice drawing fouls on made baskets as the Jazz successfully defended their homecourt advantage.

Denver plays host for Games 3 and 4 on Saturday and Sunday. Game 5, if needed, will be at Utah on Tuesday.

Mutombo blocked eight shots, while Mahmoud Abdul-Rauf had 23 points for Denver before leaving the game with a bruised right knee late in the game.

The Jazz, leading by three points as the fourth quarter began, got three baskets from Malone in the first 4:28, his 16-foot fadeaway jumper build the lead to 86-78.

Back-to-back dunks by Benoit and a jam by Chambers pushed the margin to 13 with 2:01 to play. The Jazz got their final point, and biggest lead, when Mutombo was called for a technical with 21 seconds left, and Chambers made the free throw.



Karl Malone, drawing a foul on a dunk, defied shot-blocker Dikembe Mutombo and scored 32 points as Utah won, 104-94.

## SIDELINES

## South Korean Elected to FIFA Post

KUALA LUMPUR (Reuters) — The head of South Korea's World Cup campaign, Mong Joon Chung, was elected Friday the Asian Football Confederation's vice-president on soccer's world governing body, FIFA. Chung, son of Hyundai Heavy Industries' founder Ju Yung Chung, was elected to the post after a vote in which he was seen as a big boost to his country's bid to host the World Cup finals in 2002.

South Korea's bid to host the World Cup was followed by Sheikh Ahmad Fahad al Ahmed of Saudi Arabia and Muhammad Hammam of Egypt, the head of Japan's World Cup campaign, received only two votes.

## Golf Tournaments Delayed by Rain

MADRID (AP) — Heavy overnight rains that continued through most of the day virtually wiped out Friday's second day of play in the Spanish Open, forcing officials to reset most of the rounds for Saturday.

The GTE Byron Nelson Classic in Dallas was also hit by rain; it already had been reduced to three rounds.

## A First for Spain in Tour of Spain

PALAZUELOS, Spain (AP) — Marino Alonso gave the host country its first stage victory in the 1994 Tour of Spain when he won Friday's 126.5-kilometer (126.5-mile) 19th stage from Avila to Palazuelos. Alonso finished six minutes ahead of Italians Roberto Pagnin and Riccardo Forconi after a long breakaway.

## For the Record

Del Harris, who coached four years each at Houston and Milwaukee, was hired as coach of the Los Angeles Lakers.

Ski Paradise of France, favored to win her second straight race in Japan, drew the No. 13 post position for Sunday's Yasuda Memorial.

Britain's Sayyidat, also highly regarded, drew No. 6 spot.

Herald Tribune

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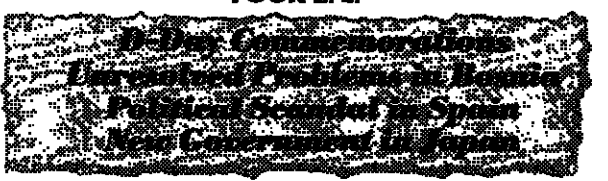
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## DAVE BARRY

## The Hairball Vacation

M IAMI—Summer vacation is almost here. Soon it will be time for you parents to pile the kids into the car, show them how to work the ignition key, then watch them roar off down the street, possibly in reverse, as you head back into your house for two weeks of quiet relaxation.

I am pulling your leg, of course. You have to go with them. You also are required, by federal law, to take them to at least one historical or natural site featuring an educational exhibit with a little button that you're supposed to push, except that when you do, nothing happens, because all the little light bulbs, which were supposed to light up in an educational manner and tell "The Story of Moss," burned out in 1973. But this does not matter. What matters is that this is a memorable and rewarding and, above all, enjoyable vacation experience that you are providing for your children whether they like it or not.

"DAMMIT YOU KIDS," you might find yourself explaining to them. "IF YOU DON'T TAKE THOSE LEGOS OUT OF YOUR LITTLE BROTHER'S NOSE AND COME LOOK AT THIS EDUCATIONAL EXHIBIT THIS INSTANT, I SWEAR I WILL NOT TAKE YOU TO THE OYSTER KINGDOM THEME PARK."

This situation demonstrates why you should never set out on a family summer vacation without a complete set of parental threats. You cannot simply assume that when your children have, for example, looked somebody else's child inside the motel ice machine, you'll be able to come up with a good parental threat right there on the spot. You need to prepare your threats in advance and write them on a wallet card for easy reference.

YOU (sternly): If you kids don't let that child out of the ice machine this instant, I'm going to... (referring to wallet card)... DONATE MY ORGANS.

FIRST CHILD: Huh?

SECOND CHILD: He's reading from his driver's license again.

YOU (referring to another wallet card): O.K., here we go: I'm going to TAKE AWAY YOUR GAME BOY.

FIRST CHILD: We don't have a Game Boy.

SECOND CHILD: Jason threw it into the Water Wheel ride back at Pez Adventure.

YOU (in a very stern parental voice): All right then, we'll just have to BUY ANOTHER ONE.

Yes, you need strict discipline on a family vacation. You also should have some kind of theme for your trip, and this year the theme that I am recommending is: Hairballs Across America. Your first stop is Garden City, Kansas, home of the Finney County Historical Society Museum, which features, according to news reports sent in by many alert readers, the largest known hairball in captivity, not counting members of Congress. This hairball weighs 37 inches in diameter and weighs 55 pounds. That is what we in professional journalism call "a big hairball."

I called up the historical society museum director, Mary Warren, who told me that the hairball was graciously donated by a local meat-packing plant, which found it inside the stomach of a cow. After you learn about your next stop will be the nearby Midwestern state of Indiana (motto: "It's Also Pretty Flat"), where you will be visiting the city of Alexandria. This is the historic site where it took three men to pull a giant hairball out of a manhole last year.

"We thought we had a goat," a city sewer official was quoted as saying.

Needless to say, this hairball was not caused by a cow. Cows do not fare well in the sewer environment, because of the alligators. This hairball was formed by people taking showers, and having their hairs wash down the drain and clump together in a giant mass.

Tragically — and this is yet another argument for stricter federal guidelines — the giant hairball was left outside, and it disintegrated.

"Just think, kids!" you should tell them. "Right here in this town, there was a hairball THE SIZE OF A GOAT! Isn't that amazing? Kids? HEY! YOU KIDS COME BACK HERE!"

You should never have left the keys in the car.

Knight-Ridder Newspapers

## Forget Trekking, Fly a MiG at Mach 2.4

International Herald Tribune

PARIS — No one wants to look at vacation snapshots of beaches, rolling countryside, or even — things have come to this world-weary pass — of gold panning in Lapland or torpid turtles in the Galapagos. It is time to aim higher — 25 kilometers (15 miles) into the sky, for example.

A Florida company called MIGS etc., Inc. has since October sent more than 100 tourists into empty space

## MARY BLUME

in cash-hungry Russia where everything these days is for sale, from Kim Philby's fedora to solar-power cells.

"Send in your helmet size — your dream is ready to fly," says the company's promotion cassette. Before taking the controls of a supersonic fighter aircraft with a flight plan they have helped to design, most of MIGS etc.'s customers have experienced nothing more exciting than bumping along in commercial aircraft. The flight packages range in price from \$7,000 to \$50,000, depending on the program chosen. Hotels, meals and a Moscow tour are included. Those who wish to take their flight suits home with them pay an extra \$100.

Customers sometimes look a bit green on landing, says the company's Moscow manager, Marina Zaitkovskaya, the daughter of a Russian test pilot, grounded herself by motion sickness. But they tend to croak out the same enthusiastic words.

"I have made a list," Zaitkovskaya says. "Incredible! is what 90 percent say. The other 10 percent would be distributed between Marvelous! Great! and It's better than sex!"

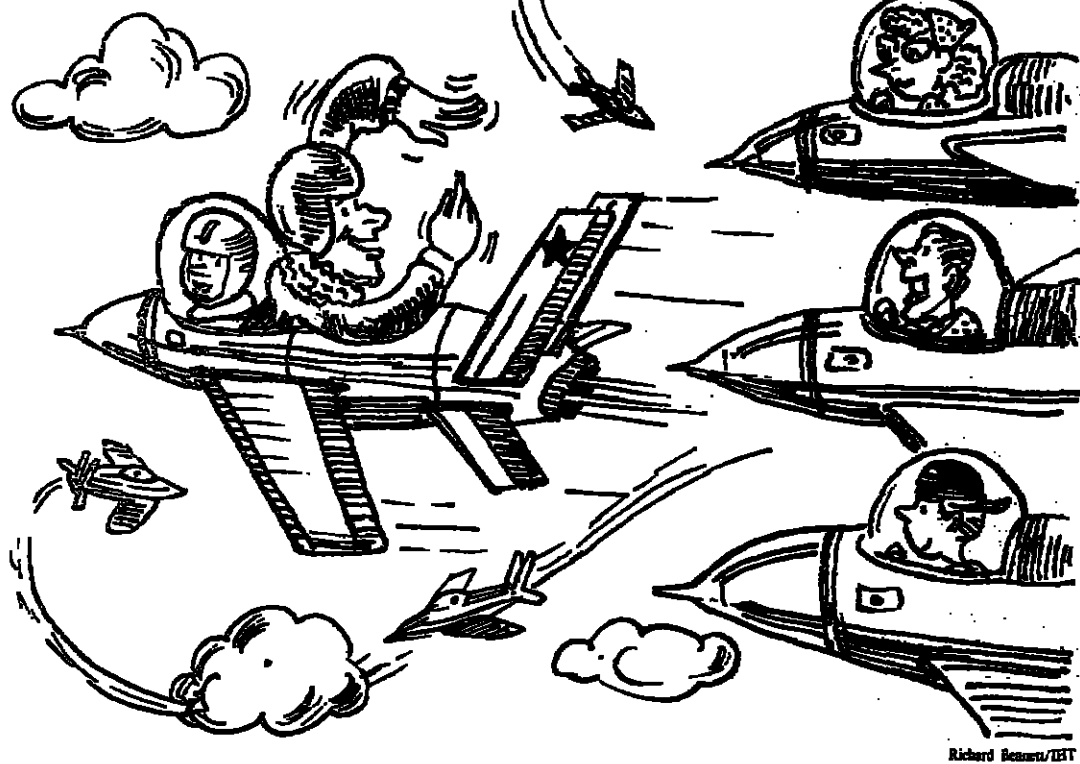
The founder of MIGS etc., talking by telephone on a visit to Moscow, is Kent Ertugrul, 30, who used to work in investment banking and in computer software for drive-through hamburger restaurants. "We didn't really think of it as a business, we just put it out to see if people were interested and they were. You can't do any market research for this sort of thing, you just have to throw it out and see what happens."

The aircraft the company uses — MiGs and the Sukhoi-27 — are at the Zhukovskiy air base near Moscow. Negotiations to use them with top English-speaking test pilots as instructors were surprisingly easy, Ertugrul says. "By and large, there is less red tape in Russia than anywhere else. Things are in a tremendous state of flux right now — people are looking for opportunities, new things to do."

Customers, who come from the United States and Europe and will soon be flying in from Japan where Ertugrul has signed a contract for zero-gravity flights, begin in an L-39 jet fighter trainer with their own private instructor. With their instructor, they then fly a real MiG-29 with a maximum speed of Mach 2.4, a MiG-31 Foxhound, an interceptor that can reach Mach 2.4, or the SU-27 which can execute the famous cobra maneuver in which the aircraft pitches to an angle of attack of more than 90 degrees and recovers to a normal flight attitude within seconds. No previous flying experience is necessary.

"If you have piloted a single engine aircraft it doesn't really help anyway," says Julia Ragona, the company's Florida-based sales director whose ear problems prevent her from testing her product. "Jets and aerobics are a very different thing."

The customers have ranged in age from 16 to 72. They first undergo a physical at the airbase to see what they can



Richard Benson/IST

take. "If you can fly in a commercial aircraft you can fly in one of these," says Ragona. "The question is how many maneuvers you can do or how many G's you can pull."

Those who are not up to a cobra, a wing-over, an Immelmann or even a loop or a roll can simply aim their MiG into the upper atmosphere where they can see the Earth curve and, perhaps, feel it move.

The company's Ultimate Flight program begins with five combat flying lessons on the L-39 and culminates in a mock MiG or SU-27 dogfight in real planes in which a customer combats a friend or — and this has happened — a spouse.

On the last day of dogfighting, a panel of judges reviews videos of the combat and declares the winner, who receives a silver-plated helmet signed by the test pilots as well as video tapes of the dogfights, edited and set to music.

Those who feel deprived by Congress's recent strictures on automatic weapons can also enroll in a Military Adventures program in St. Petersburg. It offers an opportunity to fire a Kalashnikov machine gun or a rocket-propelled grenade launcher and to drive a T-80 turbine-powered tank and let off a shell or two. The company has also begun to offer rides in training craft that simulate weightlessness and future possibilities are unlimited, Ertugrul says.

There's a lot to be done with using the military industrial complex for tourism without getting into the Rambo world or the Soldier of Fortune world, which we definitely want to avoid. There's a lot of fun stuff you can do.

Dogfights, assault weapons: Ertugrul could be accused of encouraging military freaks. "I think it's quite the

opposite," he says. "I am personally not a gun freak or a military freak at all and if we have made a point of not advertising in publications addressed to that market, though believe me the opportunity is there, it's because we're not interested in that sort of customer. The way I look at it, this is probably the best use anyone has found for this stuff. Its sole purpose was to kill people and what better way to use it than for fun?"

It's a white knuckle sort of fun, but only if the customer wants it to be, Ragona says. "You can roll at a high G or a low G, depending on how you take it. You can do a variety of things at low G and have it be fun but not white knuckle."

One attraction for the Russians, she says, is that the venture brings publicity to the aircraft manufacturers whom she describes as the Russian equivalent of Boeing or Lockheed with an eye to the nonmilitary market.

The financial arrangements between MIGS etc. and the Russians are about the only thing that is still top secret. The pilots have pronounced themselves extremely satisfied.

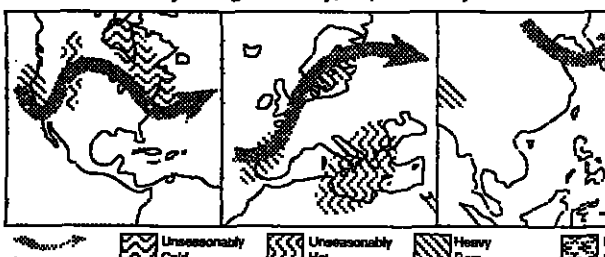
Ertugrul, sensitive about recent world headlines concerning a Russian airliner, emphasizes his own pilot's skill. "What you have to bear in mind is that the pilots we're working with are the best, they're the test pilots who do air shows overseas. To associate them with ordinary air force pilots or Aeroflot would be a mistake."

There have been no mishaps so far but the company warns that its programs are inherently dangerous and requires its customers to sign a release form. At least they needn't worry about the pilots — they are all more than 15 years old.

## WEATHER

Europe				Asia			
High	Low	High	Low	High	Low	High	Low
°F	°F	°F	°F	°F	°F	°F	°F
Algeria	17/22	12/25	12/25	12/25	12/25	12/25	12/25
Amsterdam	17/22	12/25	12/25	12/25	12/25	12/25	12/25
Athens	27/32	16/21	27/32	16/21	27/32	16/21	27/32
Berlin	20/27	16/21	20/27	16/21	20/27	16/21	20/27
Bombay	26/28	14/27	26/28	14/27	26/28	14/27	26/28
Buenos Aires	23/27	14/27	23/27	14/27	23/27	14/27	23/27
Calcutta	18/28	12/23	18/28	12/23	18/28	12/23	18/28
Cardiff	22/27	12/23	22/27	12/23	22/27	12/23	22/27
Chennai	20/28	11/23	20/28	11/23	20/28	11/23	20/28
Cairo	21/27	15/28	21/27	15/28	21/27	15/28	21/27
Dublin	17/22	12/25	17/22	12/25	17/22	12/25	17/22
Edinburgh	14/27	10/25	14/27	10/25	14/27	10/25	14/27
Hong Kong	25/27	14/27	25/27	14/27	25/27	14/27	25/27
London	17/22	12/25	17/22	12/25	17/22	12/25	17/22
Los Angeles	20/28	14/27	20/28	14/27	20/28	14/27	20/28
Madrid	19/28	11/23	19/28	11/23	19/28	11/23	19/28
Mumbai	24/27	16/21	24/27	16/21	24/27	16/21	24/27
New Delhi	22/27	12/23	22/27	12/23	22/27	12/23	22/27
Osaka	21/27	15/28	21/27	15/28	21/27	15/28	21/27
Paris	19/28	11/23	19/28	11/23	19/28	11/23	19/28
Perth	20/28	14/27	20/28	14/27	20/28	14/27	20/28
Rangoon	23/27	14/27	23/27	14/27	23/27	14/27	23/27
San Francisco	17/22	12/25	17/22	12/25	17/22	12/25	17/22
Seoul	21/27	15/28	21/27	15/28	21/27	15/28	21/27
Singapore	26/28	14/27	26/28	14/27	26/28	14/27	26/28
Tokyo	21/27	15/28	21/27	15/28	21/27	15/28	21/27
Yokohama	21/27	15/28	21/27	15/28	21/27	15/28	21/27

Forecast for Sunday through Tuesday, as provided by Accu-Weather.



**North America**  
Denver through Calgary: Mostly sunny and dry with a few clouds. A storm will bring soaking rain to Portland, Ore., and San Francisco on Monday into Tuesday. Pittsburgh to Boston will be warm and humid Sunday with scattered rain. Dry, much cooler weather will arrive early next week.

**Europe**  
London to Madrid will be very warm the next several days with plenty of clouds and scattered rains. Cooler weather and rain will sweep across Oslo and Stockholm Sunday into Monday. Rome through Athens will have sunny, very warm weather Sunday through Tuesday.

**Asia**  
Shanghai will be dry and very warm the next several days. Showers will dampen Tokyo Sunday and again Tuesday. Beijing and Seoul will be dry and pleasant early next week. Hong Kong will be warm and humid with a dry shower or two. Tropical Storm Paige will re-curve southeast of Japan.

**Middle East**  
Beirut: 20/27, 16/21, 20/27, 16/21. Damascus: 20/27, 16/21, 20/27, 16/21. Jerusalem: 20/27, 16/21, 20/27, 16/21. Riyadh: 20/27, 16/21, 20/27, 16/21.

**Latin America**  
Buenos Aires: 20/27, 16/21, 20/27, 16/21. Caracas: 20/27, 16/21, 20/27, 16/21. Lima: 20/27, 16/21, 20/27, 16/21. Mexico City: 20/27, 16/21, 20/27, 16/21. Santiago: 20/27, 16/21, 20/27, 16/21.

**Oceania**  
Auckland: 17/22, 12/25, 17/22, 12/25. Sydney: 18/24, 11/23, 18/24, 11/23.

Legend: s=sunny, pc=partly cloudy, c=cloudy, sh=showers, t=thunderstorms, r=rain, dr=drizzle, an=snow, H=high, W=low. All maps, forecasts and data provided by Accu-Weather, Inc. © 1994

## POSTCARD

## Subway Digging Yields Another World Under Athens

By Henry Kamm

New York Times Service

ATHENS — While drivers all around them in this traffic-choked capital perform their customary impatient concert of blowing horns and squealing tires, archaeologists are meticulously sifting through a yawning excavation, longer and wider than a football field, and the \$2.8-billion project has provided a boon to archaeology.

They are digging on Syntagma (Constitution) Square, the busiest in Athens, in front of the Parliament and at the Tomb of the Unknown Soldier. At this site and the 20 other sites of future stations, excavating machines are laying bare stratum after stratum of the many cultures that made Athens a fountainhead of civilization. "Here we are in the shadow of the Acropolis, digging five subway stations," said William G. Stead, the construction project's general manager. Much has been found to rouse archaeological passions. Some finds were unexpected, while others confirmed accounts of Athens written through the ages.

In front of Parliament, for instance, the digs laid bare a vast public bath of the Roman period

that no ancient chronicler had described. The tops of the columns for its steam room, marvelously preserved, lay about two feet under the surface of Amalias Avenue, where the flow of heavy traffic never seems to cease.

Surprisingly, said Olga Zachariadou, the Culture Ministry archaeologist in charge of the site of the Syntagma Square station — the main hub of the Metro system — antiquities covered by the asphalt of streets lie closer to the surface than those in fields, where soil accumulates. While there has been some digging under Athens for utilities, there has been nothing before on this scale.

Constantine Sarris, an archaeologist working for Atiko Metro, the project's management company, pointed out several tall food-storage bins, resembling round stone wells, from the Byzantine era.

Next came remains of a Roman aqueduct. Beyond, the archaeologist showed traces of the dried-up bed of the Iliridos River, mentioned by Plato. Scattered around were tombs of the early Christian era. One yielded the skeleton of a dog, perhaps buried next to its master. Another contained toys — terra-cotta animals on bronze wheels, Stead said — perhaps buried

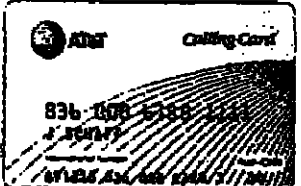
with children. An aqueduct from the fifth century B.C. lay near the riverbed. Next to Roman baths were the remains of a wall in which bronze statues were set, probably the cemetery. Oil lamps featuring exotic designs were found in the baths.

The Culture Ministry is jealously guarding the discoveries for study before allowing public to see them. Sarris said that the excavations would provide just for dissertations for years to come.

So rich are the excavations, Zachariadou said, that had the Syntagma site been anywhere but in the center of a city it would never be covered over again. But with the way tunnels being carved in the rock for the discoveries, officials decided that the way to preserve them.

What the Metro excavations disclose, rather than movable objects, is being photographed, cataloged, and described in a very, very hard, of course, "Zachariadou said. "We're happy because we have a very large area to excavate, but, on the other hand, it's very much."

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COUNTRY	ACCESS NUMBER	COUNTRY	ACCESS NUMBER	COUNTRY	ACCESS NUMBER		
<b>ASIA</b>							
Australia	1-800-881-0111	Italy*	172-1011	Brazil	004-0000		
China, PRC***	10811	Liechtenstein*	155-00-11	Chile	004-8211		
Guam	018-872	Lithuania*	84-1986	Colombia	980-13-8000		
Hong Kong	800-1111	Luxembourg	0-800-0111	Costa Rica**	114		
India	000-117	Macedonia, F.Y.R. of	99-800-4288	Ecuador	769		
Indonesia*	001-801-10	Malta*	0800-930-110	El Salvador**	269		
Japan*	0039-111	Morocco*	192-0011	Guatemala*	355		
Korea	009-11	Netherlands*	06-022-9111	Guyana**	123		
Korea**	11*	Norway	800-150-11	Honduras**	15		
Malaysia*	800-0011	Poland**	06-010-480-0111	Mexico***	95-800-422-110		
New Zealand	000-011	Portugal*	05017-1-288	Nicaragua (Managua)	174		
Philippines*	105-11	Romania	01-800-4288	Panama	502		
Singapore	235-2872	Russia** (Moscow)	155-5042	Peru*	231		
Sri Lanka	800-0111-111	Slovakia	00-420-00101	Suriname	558		
Taiwan*	0080-10288-0	Spain	920-90-0011	Uruguay	00-0440		
Thailand*	0019-991-1111	Sweden*	020-795-611	Venezuela**	00-011-128		
<b>EUROPE</b>							
Armenia*	84-14111	Switzerland*	155-0011	<b>CARIBBEAN</b>			
Austria***	022-903-011	U.K.	0500-89-0011	Bahamas	1-800-872-2881		
Belgium*	0800-100-10	Ukraine*	84-100-11	Bermuda*	1-800-872-2881		
Bulgaria	00-1800-0010	<b>MIDDLE EAST</b>		British V.I.	1-800-872-2881		
Croatia*	99-38-0011	Bahrain	800-001	Cayman Islands	1-800-872-2881		
Czech Rep.	00-420-00101	Cyprus*	080-90010	Grenada*	1-800-872-2881		
Denmark*	8001-0010	Israel	177-100-2727	Haiti*	001-800-972-555		
Egypt	9800-100-10	Jordan	800-288	Jamaica**	0-800-872-2881		
France	192-0011	Lebanon (Beirut)	426-801	Neth. Antl.	001-800-872-2881		
Germany	00-800-1311	Qatar	0800-011-11	St. Kitts/Nevis	1-800-872-2881		
Greece*	00-800-1311	Saudi Arabia	1-800-10	<b>AFRICA</b>			
Hungary	00-800-01111	Turkey	00-800-12277	Egypt* (Cairo)	510-8000		
Iceland**	999-001	U.A.E.*	800-121	Gabon*	004-0000		
Ireland	1-800-550-000	<b>AMERICAS</b>		Gambia*	00011		
				Kenya*	00011		
				Liberia	777-288		
				South Africa	0-800-999-0011		